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ARGENTINA

ACADEMICIANS EXPRESS THEIR OPINIONS ON POLITICAL PROCESS

Buenos Aires LA PRENSA in Spanish 13 Aug 80 p 4

[Text] The minister of the interior, Maj Gen Albano Harguindeguy, held a meeting yesterday with Drs Alberto Benegas Lynch, Osvaldo Loudet, Luis Botet, Isidoro Ruiz Moreno and Alejandro Lastra, all of them members of the Academy of Moral and Political Sciences. They were invited to participate in the so-called political dialog, and to express their opinions on the Armed Forces' Political Guidelines for the National Reorganization Process.

All of them, with the exception of Dr Ruiz Moreno, gave Minister Harguindeguy documents in which each of them presented his opinion on the programs and doctrines contained in the guidelines.

The meeting took place in the Salon Sur of the Casa de Gobierno. After the gathering, the participants reported to journalists what had happened, and Dr Ruiz Moreno revealed the ideas that had been expressed to Minister Harguindeguy.

Dr Benegas Lynch

In the document submitted by Dr Benegas Lynch mention was made of the "gratitude and appreciation for the success of the Armed Forces in the war against the terrorists who, it is well known, were originally organized by Peron and were maintained by the international Marxist-Leninist movement with the support of several traitors residing abroad."

He stresses that "fortunately, now Argentine cities are among the safest in the world for those who want to live in peace, and the human rights of their inhabitants are well protected."

With regard to the Political Guidelines, the document states that they contain features which must be implemented in order to restore a truly republican system. However, it points out that some of the features "are somewhat ambiguous, and therefore require clarification."

The document goes on to say that, for example, the reference to the institutionalization of the Armed Forces, as worded in those documents, "could be

interpreted as indicating a desire to make the military a fourth branch of government not envisioned in the constitution, or as reflecting a plan to subordinate civilian power to military power. Such has not been the intention of those who wrote the document; if that were the case, it would distort the three-branch system established by the constitution."

After stating that "the ambiguity means that the idea must be clarified," Dr Benegas Lynch points out that the institutionalisation could be achieved by means of adequate measures by the military ministers of each branch of the military, or through a Security Council "created by law in accordance with the constitution."

With reference to the Political Guidelines' mention of the need to "ensure adherence to the fundamental principles of the constitution, and to "ensure the subsequent establishment of a representative, republican and federal democracy," Dr Benegas Lynch indicates that "those concepts should complement each other in order to be effective, with an express acknowledgement of the need to decide on the appropriate legal mechanism which would categorically exclude from the political scene any activity or proselytism which would violate the basic, eternal and immutable principles of the constitution, principles which form the basis of a free society."

Repeal of Totalitarian Legislation

Dr Benegas Lynch argues "the urgent need to repeal totalitarian legislation before any electoral process can begin. This legislation still is on the books, having been passed beginning in 1943. It laid the groundwork for the corrupt democracy which we have had to endure, and reached the zenith of perversity during the period of 1973-1976. Particularly serious is the legislation referring to labor activities, because the labor movement can never be free and democratic as long as the single union system prevails, requiring compulsory contributions." He also asserts that "we should stress, as stipulated by the constitution, the vital need for a precise limitation of the functions of the state. For this purpose, the National Reorganization Process would have to accelerate as much as possible the program to reduce government involvement. This would lead to much less costly government, and the state would stay out of areas where it has no business interfering." In this manner, "and only in this manner, will it be possible to effectively reduce profligate public spending, which is impossible to cover with real resources, and which causes monetary inflation and increasing indebtedness."

Furthermore, he maintains that there must be a recognition of "the need to take immediate action on studying monetary and banking reform. Such a far-reaching reform would take monetary affairs out of political hands."

With regard to social security, he suggests that Argentina abolish the state monopoly and open the market to private social security funds. Concerning international policy, Dr Benegas Lynch states that "the patriotic desire to prevent the propagation of communist tyrannies in our region was reflected in recent statements by the president regarding the situation in Bolivia,"

but he points out that "it would be useful to complement those statements in every case with more specific affirmations of solidarity with the free world. This implies an abandonment of excessively close ties with the communist world, all in accordance with the philosophy behind the National Reorganization Process."

Finally, Dr Benegas Lynch indicates that "the Political Guidelines are clear enough, including their elements regarding freedom of the press, independence of the judicial branch, education and culture, all of which have been set forth in the constitution. And the Process is committed to faithfully respect the constitution."

Dr Alejandro Lastra

The document submitted to Minister Harguindeguy by Dr Alejandro Lastra begins by pointing out that "the Republic of Argentina is at a crossroads as a result of the moral, political, economic and social chaos caused by Peronism over more than 40 years of devastating impact on national life;" and that "its consequences became more serious during the 3 years of misgovernment, squander and immorality that lasted from May 1973 to March 1976."

He adds that "when the Armed Forces took over the reins of government on the latter date, they performed an act of salvation, full of promise; however, we must bear in mind that the task did not end there, and that on the contrary, that was just the beginning of a long, difficult job."

He stresses that "the work begun in 1976 has produced undeniable benefits, the most outstanding being the destruction of the organized guerrilla movement that threatened our organized structure and catapulted us into a chaos even deeper than that we had already experienced." He states: "If the guerrillas had triumphed, we would have been launched into the Marxist orbit, imposed by force with arbitrariness and despotism."

After mentioning other considerations, Dr Lastra indicates his general concurrence with the Political Guidelines, with some clarifications and exceptions.

For example, he explains that the guidelines assert the indispensable requirement of "ensuring adherence to the basic principles of the constitution," and stresses that "we would have preferred a plain and simple statement about 'ensuring adherence to the national constitution,' since the word 'basic,' repeated later with reference to the political parties, could generate some controversy about which are the basic principles. This is especially true given the rumors about and the undeniable trends toward a reform of this nation's basic law."

Dr Lastra claims that "there should be a resounding affirmation of adherence to the national constitution, without additions that could cause disturbances or be exploited for purposes contrary to the intangibility of the constitution."

He asserts that the constitution "should be considered unique and immutable, subject to reform only through the means established by the document itself."

He also expresses the opinion that "the totalitarian ideologies alluded to in general terms in the guidelines should be mentioned expressly, although other forms of totalitarianism that might appear may not be excluded." He states also that "proscriptions or prohibitions should not only be selective, but also sectorial, relating to groups, associations or political parties whose doctrines or conduct lend them a totalitarian character. These prohibitions should be expressly indicated."

"It must be made clear," he stresses, "so that there will be no doubt of the goals pursued. . . and nondemocratic parties and ideologies such as Nazism, fascism, communism and also Peronism (which has similar features) should be excluded."

He maintains that such exclusions can be done through the electoral legislation, and should "extend particularly to organizations of that nature, including as well any party or parties, person or persons, who try directly or indirectly to obtain the support of those political forces or of one of their advocates or sympathizers, by any means."

Dr Lastra recalls that the country "has had a bitter experience in this sense," and "it is necessary to take measures to prevent an attempt to repeat the operation which led to one candidate being supported by all Peronists." He points out that that event "was fatal for the nation, because it led to all the later consequences."

Armed Forces Participation

Concerning the institutionalization of the Armed Forces, Dr Lastra states that it should be undertaken "within the limits and in the manner stipulated by the national constitution," because "to give them authority for another intervention would be dangerous for the military itself, probably leading to its politicization."

The Armed Forces could cooperate by becoming part of the cabinet, he says, with additional participation in an Economic and Social Advisory Council.

Speaking of the economy, he says that "the National Reorganization Process has done a great deal, but there is still a long and difficult road ahead." He indicates that there is an urgent need to curb public spending and to balance the budget. It is also essential that inflation be done away with, and that the structure of the Central Bank be reformed so that it will once again be autonomous.

Dr Lastra emphasizes that he agrees "with widespread opinion that the nation is not ready to be subjected to an electoral consultation," and that first it will be necessary to strengthen the Process. However, he points out that in the stages to come, civilians should be given more say in the

administration of the republic; they should have more participation in the national cabinet, provincial and municipal governments.

He is of the opinion that "it would be a good idea to form a national party that would be in the ideological center, between extreme positions. It would have as its members the vast majority of the population that does not feel represented by existing parties." He notes, however, that it should "be the spontaneous product of the desire that has already been manifested; it should not have any official trappings or nature," as the government should remain aloof from that part of the Process.

Dr. Lastra also asserts that the politicization of unions should be prevented, and the idea of the single union should be done away with.

Dr. Luis Botet

The document submitted by Dr. Luis Botet indicates that the Political Guidelines "deserve general approval because they adhere to the goals of the national constitution. Their objective is the continuity of our republican way of life."

He comes out in favor of constitutional reform, although he does not feel that now is the time for it. The reason is that "factionalism and the non-republican organization of some political parties still persist, while the majority of them are still anarchistic."

He adds, "Although I perceive obvious dissent, the monolithic structure of labor unions is maintained as the basis of the Justicialist party. Even though various leaders try to deny this, their dissension--also obvious to me--will not change anything when there is an election."

Dr. Botet claims that without serious prior preparation of the electorate, a referendum would have negative results, even if the best technical team wrote an excellent proposal.

After going into other considerations concerning this issue, Dr. Botet states that "despite the efforts of this government, it would be impossible and suicidal to call elections or a 'referendum.'" He goes on to say that "a positive result, which would mean stopping the swing of the pendulum that has been moving between elected and military governments for half a century, would require a reform of the organic part of the constitution. It would also necessitate the formation of a few real political parties, with truly republican ideas (not the class struggle), with members who had real and proven abilities to fill the highest representative public offices."

Intermediate Groups

With regard to the intermediate groups mentioned in the Political Guidelines, Dr. Botet indicates that it would be a good idea to specify that "they will never be able to undertake activities reserved for the political parties,

nor to form alliances with any of these parties, without prejudice to the freedom of each of their members to exercise the right to vote."

Dr Botet also maintains that "it is a gross error to give political responsibilities to the municipal government, because it is a government agency that has been expressly excluded from that area by the national constitution; that function corresponds only to the executive and legislative branches."

Concerning the institutionalization of the Armed Forces, he stresses that "in no way should it go beyond the establishment of a defense ministry," because "the government is the government, and the Armed Forces have a specific function that is well known. This function can never be confused with that of the government, which is essentially deliberative. That is why there is a separate branch."

With respect to culture, Dr Botet expresses the opinion that the guidelines leave no room for objections; he agrees with the comments made by Dr Benegas Lynch concerning the economy, and with Dr Ruiz Moreno with reference to the issue of international policy.

He also notes that he has no objection to the guidelines' mention of social, scientific-technological and territorial issues.

On the other hand, he stresses that in the "area of security" section of the Political Guidelines, the last paragraph is not clear and requires an explanation of what was meant by the words "necessary freedom of action on the part of the military."

He adds that, in his opinion, "it can only refer to a possible reactivation of guerrilla warfare, because the functions of the military have already been set forth and duly regulated in the constitution; a state of war has also been provided for."

Dr Osvaldo Loudet

Dr Osvaldo Loudet, in the document he prepared, states that he "agrees basically with the Political Guidelines," and that this political dialog, "its title notwithstanding, has no political objective; it is simply informative and critical." He emphasizes that "it is necessary to find a formula to save the republic once and for all, eradicating the alternation of dictatorships and demagogueries."

He adds that "the creed adopted by this government deserves our respect and praise," because it draws its inspiration from the principles of the national constitution.

He recalls that the Armed Forces have been forced to take power because there was a power vacuum, due to ignorance, incapacity and immorality." He goes on to say that "the new transitory power goes against the disruptive influence of all extremist ideologies and the corrupting influence of any demagoguery."

He stresses the need to "educate the sovereign," pointing out that democracy is not possible without the prior education of the people. Without that education, "it is easy to persuade the ignorant masses and take power."

He also comments, after going into other matters, that "starting from the basis of universal suffrage, the malleability of the vote must be determined, and it must be given a different social meaning." Thus, for example, "the married man should have two votes, and his vote should be multiplied according to the number of children he has; family responsibility should increase the value of the vote, as well as intellectual capacity. Just as there are government subsidies, there should be civic subsidies."

Concerning the institutionalization of the Armed Forces, Dr. Loudet maintains that it "would mean introducing a fourth branch of government, with deliberative functions." That, in turn, would mean "introducing politics, with its doctrines and passions, into an institution that is above political doctrines."

He claims that "the Armed Forces are merely technical advisers that are indispensable for the executive branch, and are represented by the necessary ministries." Their main function is to protect and defend the national constitution and national sovereignty.

Dr. Loudet also asserts that we must step up the study of Argentine history at all levels, because it "gives examples of the falls and resurrections, like those experienced by most nations, but one can clearly perceive an unbreakable ascending line."

Dr. Ruiz Moreno

At the meeting with journalists, Dr. Isidoro Ruiz Moreno pointed out that during the interview with the minister, he had justified the actions of the present government, while at the same time emphasizing its adherence to the principles of the constitution, in the Political Guidelines.

He also indicated that he did not believe in constitutional reform without resorting to procedures not envisioned in the constitution itself.

Later Dr. Ruiz Moreno reported that he had studied the possible consequences of the institutionalization of the Armed Forces as a fourth branch of government, and that he had come to the conclusion that it was not a good idea.

International Policy

When asked about the government's attitude regarding foreign policy, Dr. Isidoro Ruiz Moreno indicated that he concurred with Argentine tradition. With regard to Bolivia, he stated that the government followed the Estrada Doctrine, and that international recognition was de facto. He added that once it has been proven that the new authorities have a good grasp of the issues, recognition is appropriate."

Nonaligned Countries

In response to a question about Argentina's position toward the nonaligned countries, Dr Ruis Moreno stated that "it seemed erroneous."

Disagreements

During the meeting with journalists, Dr Botet spoke of his position supporting constitutional reform, an issue on which the other academicians present disagreed with him. They also disagreed on the origin of the Peronist government and of Peron, as explained by Botet.

The minister of the interior, in his usual introduction of the guests, indicated that the dialog with the members of the Academy of Moral and Political Sciences "had served to enlighten and improve the Political Guidelines of the Armed Forces."

Next Meeting

The political dialog will continue next Tuesday, when leaders of the Justicialist Doctrinal Reaffirmation movement, an internal movement in the Justicialist party, will go to the Casa de Gobierno.

That group will consist of Dr Raul Matara, Alberto Iturbe, Enrique Osella Munoz, Raul Tecera del Franco and Delia D. de Parodi.

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CBQ: 3010

UNIVERSITY RECTOR EXPLAINS MEASURES AGAINST MARXIST INFLOW

Buenos Aires LA PRENSA in Spanish 14 Aug 80 p 6

[Text] Mar del Plata, Buenos Aires--The rector of the National University of La Plata and head of the Council of Rectors of National Universities (CRUN), Dr Guillermo Gallo, stated that "all necessary efforts have been and are being made to eradicate Marxist infiltration of universities, especially in all sectors where there is an indication of more need for such action." However, he pointed out that "we must also be careful not to be on a constant witch hunt."

The academician made these statements here in this city, where he is participating in the 27th Annual Assembly of the International Council for Teacher Education. He responded to questions about recent statements by Monsignor Antonio Plaza, archbishop of the Rio de la Plata Diocese.

"I have cordial relations with Monsignor Plaza," asserted Gallo, "and the episode has been completely forgotten." He went on to say that "we understand that we have always been on guard against the actions of Marxist elements; I am not saying there are no more Marxists, or that we have eliminated their activities, because we also know their underhanded ways. But we have taken special care to prevent their infiltration."

Gallo stressed that "this is a difficult task, but the results can be seen in all aspects that we have noted." He remarked that "we cannot always be on a witch-hunt."

Later, when asked about the actions taken by the Ministry of Education and the criticism of that national ministry, the president of CRUN stated that "of course I do not agree with this criticism, which to a great extent can be attributed to the upcoming change of government; that is why there has been increasing criticism of the Ministry of Economics as well, for example."

He emphasized that "from no standpoint can it be alleged that education has been a weak spot for the government." He stated, "Much has been done, and done well. The problem is that the work has been done silently; but there has been progress."

In addition, with regard to the university tariff, Galle pointed out that "it has always existed, or practically always at the University of La Plata, for example; it is not a factor that has had any influence on lower enrollment or on the dropout rate, and it has not even affected people's appreciation for learning."

This is a minimal fee, he said, "which perhaps could have an impact--also minimal--on industrial areas, but not on universities in general." He added that "moreover, it is a question of collecting funds which are later turned over to the university in the form of scholarships."

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GBD: 3010

ARGENTINA

SOCIAL BENEFITS LAW GOES INTO EFFECT

Social Welfare Ministry Announcement

Buenos Aires CLARIN in Spanish 16 Aug 80 p 4

[Text] The minister of social welfare, retired Rear Adm Jorge Alberto Fraga, announced yesterday at a ceremony at the ministry that the Social Benefits Law was being enacted, and he made public the message that the ministry was sending to the president, as well as the articles of the new law.

The ceremony was attended by the secretaries of social coordination, social action, social security, public health, the technical secretary and the head of the cabinet of advisers, retired navy Capts Jose Maria Cohen and Luis Ugarte, Dr Santiago Manuel de Estrada, medical Rear Adm Manuel Iran Campos, retired navy Capt Bartolome Delucchi and the delegates of the army and navy to the ministry, retired Col Reinaldo Taberero and Capt Efron Villegas, respectively.

The Message

In its most significant passages the message notes, among other things, that "pursuant to the guidelines of Law 16,610, the system is obligatory among workers rendering services for others, pensioners, retirees, those receiving noncontributory national benefits and their respective family units."

Now, "we are envisaging the possibility of gradually incorporating the independent workers included in the national pension and retirement system, and their respective family units, to the extent allowed by the characteristics of each activity and an overall balance."

A person can choose not to avail himself of the benefits that the appropriate social benefit agency is supposed to provide him. To do this, he must submit to the agency a certificate issued by a medical benefits agency authorized by the National Social Benefits Institute (INOS). Once the certificate is presented, the employer will withhold from the worker only 10 percent of his personal contribution,

which will go to the appropriate social benefit agency along with the entire contribution of the employer.

The new law specifies the procedure by which medical benefits agencies obtain authorization from the INOS.

It adds that "the obligatory nature of the system" is based on the principle of social solidarity, the essentialness of the health care service and the educational role of creating an awareness about health.

Priority is given to medical aid benefits, for which the social benefits agencies must earmark at least 80 percent of their gross revenue. Death benefits can be included.

A total of 90 percent of the money in the Redistribution Fund must be allocated for medical services in which the INOS will be involved.

The amounts or percentages of current contributions and taxes that are greater than those set by the new law still apply. Nevertheless, an attempt will be made to gradually standardize taxes and contributions, to which end the Executive Branch can order higher amounts lowered, "as long as the system's economic and financial condition so permits" until "they are completely eliminated over a period to be decided by regulations."

One of the law's major points, the message states, is that the system's funds, as well as the assets of the social benefits agencies, will be regarded as "public in nature." In this way, "we will be accomodating an institutional as well as a doctrinary reality, because we have charged social benefit agencies with pursuing public and social interest goals."

As far as the administration of the system is concerned, the law calls for the continued existence of the INOS as "the managing body and the enforcement authority" with jurisdiction over the applicable social benefits.

However, the makeup of the INOS Board of Directors is "substantially" modified; it consists of seven members appointed by the Social Welfare Ministry, one by the employers and one (the ninth) as a representative of beneficiaries.

The INOS will have "legal capacity and sufficient powers" to promote the development of benefits, to manage and control the system and to coordinate, participate in and supervise the activities of the agencies and will enjoy "specific jurisdiction to apply sanctions" pursuant to the regulations that the Executive Branch establishes in due time.

Each agency will be "an individual legal, administrative and financial unit, without any ties to workers' trade union associations." The Social Welfare Ministry will approve their bylaws and will grant them legal status. This will make them legal persons with the scope provided for in the Civil Code for juridical persons and will establish them as recipients of funds.

Each agency will be managed and administered by a council made up of one representative of the state, three representatives of beneficiaries and three representatives of employers.

Major Points Outlined

Buenos Aires CLARIN in Spanish 16 Aug 80 p 4

[Text] The following are the main points of the new Social Benefits Law, as CLARIN previewed in last Saturday's edition:

--The gradual incorporation of independent workers and their family units into the system.

--Those covered by the system can choose not to avail themselves of any of the benefits that they are supposed to receive from their social benefits agency; they must prove that they have joined a duly authorized medical benefits agency.

--In that case, the employer will withhold only 10 percent of the affiliate's personal contribution, which will go to the corresponding social benefits agency, along with the entire employer contribution.

--The social benefits agencies must allocate at least 80 percent of their gross funds to the provision of medical care services.

--The INOS must allocate at least 90 percent of the Redistribution Fund's monies for medical care purposes.

--The system will be run by the INOS under the jurisdiction of the Social Welfare Ministry and within the purview of the State Secretariat for Social Security.

--The social benefits agencies will possess individual legal status and will be totally unattached to trade union organizations, none of the names of which can they include in their own.

--The management and administration of each social benefits agency will be handled by one state representative, three representatives of contributing employers and three representatives of beneficiaries, to be designated in accordance with a procedure that will be stipulated by the regulations.

--The social benefits agencies will operate as financial backers of services, without developing their own operating capacity and while attempting to cut down on existing capacity.

--Physical persons, individually or in groups; state, public or joint agencies, and profit- or nonprofit-making private agencies can be hired for the provision of medical care services. Cooperatives, mutual associations and enterprises providing such services directly can also be hired.

--The Executive Branch will approve the schedule of fees for services, and the INOS can draw up lists of medicines to be used by the social benefits agencies.

--If the person in charge of depositing the contributions withheld from workers deliberately fails to do so, he will be sentenced to prison for from 1 month to 6 years.

--Workers trade union organizations can grant social tourism benefits, but with their own funds.

--The INOS will organize the system under the law within a maximum period of 3 years. To this end it will set the guidelines for the minimum size of the social benefits agencies and must order the gradual merger of current ones below that minimum size.

Law Termed Major Change

Buenos Aires CLARIN in Spanish 16 Aug 80 p 4

[Article by Claudio Polosecki]

[Text] The new Social Benefits Law takes a different approach to the various political, economic, philosophical and functional aspects of the problem of social medicine in our country.

Whereas politically and economically it introduces a series of drastic modifications in the administrative system that has been in effect for the last decade, it opts for an intermediate solution in terms of the philosophical concept of the system and introduces practically no innovations in the strictly functional side of the health care equation.

We can assert that the law clearly and decisively fulfills its main political objective, which as has been repeatedly pointed out was to take the function of administering social funds away from trade union organizations.

From now on, not only will the unions not be involved in administering the funds, but furthermore they will be prohibited from providing any kind of medical care benefit; moreover, they will not be able to play a direct role in designating the representatives of beneficiaries, who will make up one-third of the management of the social benefits agencies.

Economically, the most noteworthy feature is that the social benefits agencies will change from "providers" of services to "financial backers" of services, which from now on must be furnished by agencies hired for that purpose. This will almost certainly open up a wide range of action for commercially organized medicine.

In this same area we should point out the state's increased role in the system in the form of the expanded resources of the INOS Redistribution Fund, which the law stipulates will be gradually enlarged.

With regard to the philosophical principles of the issue, the law takes an intermediate path between the doctrines of "voluntary" and "obligatory" participation. It stipulates that anyone desiring to waive his benefits can do so, but he must continue to pay 10 percent of his personal contribution; the employer must continue to pay his entire contribution.

In contrast, the amount of the respective contributions has not been changed.

Functionally, the main innovation is the scheduled gradual incorporation of independent workers into the system and the grouping together of current social benefits agencies, depending on their size. Once again the problem of coordinating public and social health policy has been left unresolved.

This contrasts with the detailed mechanism established to dissolve the structures developed by trade union organizations even before the enactment of Law 18,610 in 1970.

We can therefore say that the only objectives that have been thoroughly achieved involve the modification of the political and economic role of the social benefits agencies in our country.

Whereas the organizations designed to protect the interests of the workers used to be involved in running these agencies, we will now have a system in which the figure of the "beneficiary" is placed on an equal footing with the figure of the "contributing employer," even though the former has his contributions withheld from his gross pay while the latter passes on the cost of his contribution to the price of the product or service he provides, which the consumer winds up paying for.

Ultimately, however, this legislative approach cannot be considered a novelty, inasmuch as it is the same approach on which the Workers Trade Union Associations Law is based and which has permeated all recent social legislation.

ARGENTINA

STOCK EXCHANGE OFFICIALS OBJECT TO CNV FEE

Buenos Aires LA PRENSA in Spanish 15 Aug 80 p 4

[Text] The Buenos Aires Stock Exchange has made public its reply to the note that Finance Secretary Juan Alemann sent to the exchange on 24 July (which in turn was in response to a another note that the exchange sent to the Finance Secretariat on 18 July), in connection with the proposed charging of fees for the services rendered by the National Securities Commission (CNV).

The note from the Buenos Aires Stock Exchange, which is signed by Messrs Julio J. Bardi and Victor Allievi, the exchange's president and secretary, respectively, contains a series of objections to the proposed measures. Its main point is that the CNV, far from rendering a service, which would justify a fee, merely performs a formality or grants an authorization. "Granting permission to draw on public savings cannot be likened to the provision of a service, in the strict sense of the word."

Fees and Taxes

The exchange then analyzes the scope of the terms "fee" and "levy," stating in this regard that "a fee can in no way be equated with a tax for a specific purpose. It so happens that a 'fee' is a charge, whereas a 'tax' is a levy."

"Moreover, although the distinction between fee and tax becomes blurred in some cases, fees should at least bear some relation to the cost of the services rendered, which is not the case here, because only the tax-paying ability and the ease of collection are taken into account, which causes the burden of a general administrative function to fall inequitably on certain people."

Auditing Balance Sheets

With regard to the elimination of balance sheet audits, the exchange states categorically: "On the other hand, eliminating balance sheet audits, as you propose, would simply mean the destruction of the basis

for the stem of public securities offerings. We are in complete disagreement with this because among other things it would violate the principle of a subsidiary role that the national government has repeatedly asserted and that is highlighted in the Political Bases of the National Reorganization Process.

"Investors have always been one of its main concerns, even during times that bring back unpleasant memories, when policies hostile to free enterprise, business and private savings prevailed."

Additional Costs

The Buenos Aires Stock Exchange continues thus: "To give an idea of the enormous additional cost entailed in charging fees, we need only mention that during the first half of this year the corporations listed on the Buenos Aires Stock Exchange collected 108 billion pesos from stock applications. The fees that would have been collected over this same period, not counting the fees for common investment funds, 'over-the-counter' brokers, audits and other similar services, would total 11.5 billion pesos. In other words, they would have amounted to 11 percent of total receipts. No further comment is required on these figures.

"The state cannot refrain from performing an overall assessment of the problem, because the yield of investment in stocks depends on various interacting variables, including the access of corporations to real sources of capital formation and to reasonable opportunity costs in relation to financial indebtedness."

The State's Competitive Edge

"If the state competes at an advantage by issuing inflation-proof securities with a fixed rate of return and with tax exemptions and if, in addition, it taxes companies prepared to deal in the primary securities market, we cannot state that the primary market will grow because of the higher rate of return offered by securities, since it is obvious that their rate of return can never equal what the state can offer."

Reconsidering State Control

In conclusion, the Stock Exchange note calls for an in-depth analysis of its remarks before the enactment of a new system of levies on corporations that offer public securities and on stock and securities markets.

"The proper thing would be, on the one hand, to reconsider the meaning, methods and scope of state control with a view towards

determining what aspects it should supervise and to what extent it ought to do so, and secondly, to overhaul the supervisory bodies and coordinate their activities with other institutions that could lend their cooperation. It should then determine the actual financial burden that the entire community, not just certain sectors, ought to bear in order to guarantee that savings are properly channeled, inasmuch as sound economic growth, which is the result, benefits the entire nation."

8743

CSO: 3010

ARGENTINA

ALEMANN COUNTERS BARDI'S OBJECTIONS TO PROPOSED FEE

Buenos Aires LA OPINION in Spanish 16 Aug 80 p 24

[Text] Finance Secretary Juan Alemann yesterday defended the National Securities Commission's (CNV) authority to charge fees for its services and described as excessive the fees that the Stock Exchange charges, asserting that the commissions of stockbrokers are "exorbitant" in comparison to those in other countries.

Replying to a letter addressed to him by the president of the Stock Exchange, Vice Adm Julio Juan Bardi, which was carried in yesterday's papers and which dealt with the bill to charge fees for CNV services, Alemann pointed out that the bill "envision[s] that the Executive Branch can reduce them, so that the ones that have been made public should be regarded as maximum figures. We are now taking a look at what levels will actually be set. In the case of corporations in particular, the fees listed in the bill are excessive."

He points out that according to estimates by the CNV, if the fees had been in effect in 1979, it would have collected a total of 18.4 billion pesos. He notes in comparison that the Stock Exchange would have taken in more than 7 billion pesos that same year.

He stresses that the fees of the CNV will be paid by corporations, stockbrokers, "over-the-counter" brokers and the securities markets, whereas the fees of the Stock Exchange are paid directly by investors. Therefore, he says, "the concern that the Stock Exchange has expressed for those who place their savings in stocks should lead to a revision of its fees, which we regard as clearly exorbitant."

"It is inadmissible," he asserts, "for the exchange to charge a two percent fee paying out dividends, reappraisals and reinvestment; a one percent fee for stock applications; a two percent fee for securities safekeeping and a 0.5 percent fee for the redemption of government bonds. Since the Buenos Aires Stock Exchange, together with the Buenos Aires Securities Market, has control of this market, it has a direct responsibility not to frighten off investors with exorbitant fees."

He then refutes the exchange president's assertion that corporations do not need the so-called services that the CNV provides them and that they are capable of turning to public securities offerings by themselves. He argues that "if we admit that it is the function of the state to safeguard public savings and ultimately to preserve the public trust, we have to acknowledge that the CNV has a reason for its existence and also that those who benefit from access to public savings ought to be the ones to cover the cost of this supervision."

Alemann then asserts that the CNV will take another look at its schedule of fees, with a view towards cutting the cost of everything having to do with this issue. He remarks, however, that "I emphasize that the exchange should also review its fees and first of all it should especially see to it that the Stock Exchange fees are the lowest possible while maintaining conditions of high-level operating efficiency."

He reasserts in conclusion that the state must properly exercise its policing authority through the National Securities Commission and that the cost of Stock Market transactions must be cut as much as possible. "To this end we will also have to look at the issue of broker commissions, which are exorbitant compared to those in other countries."

8743

CSO: 3010

CHILE

CENTRAL BANK HEAD COUNTERS CRITICISM OF ECONOMIC POLICY

Santiago ERGILIA in Spanish 27 Aug-2 Sep 80 pp 29, 31-32

/Interview with Central Bank President Alvaro Bardon in Santiago by Raquel Correa; date not given/

[Text] Comfortably seated in an upholstered chair in his office, the president of the Central Bank is ready to argue--a thousand and one times--about the merits of the economic system. He is convinced that a market economy is only system which will make Chile prosperous and truly free even in the political field. He agrees with the constitutional proposal because, among other things, it sanctifies that system.

Alvaro Bardon (40 years old, married, three children, a bachelors in business with a minor in economics from the University of Chile and a masters from the University of Chicago) is capable of betting anything that Chile will take off. After giving it some more thought, he says that he believes that this has already occurred.

He is friendly and talkative, "Those who do not talk must not have anything to say," and has a distinctive way of expressing himself. He is loquacious, direct, dogmatic and picturesque. His biting remarks frequently leave their mark.

When we asked him whether there wasn't a risk of making the university unaccessible to the poor by calling for the payment of tuition, which he is doing, he replied in characteristic fashion: "The payment of tuition coupled with scholarships for those who cannot pay and are highly qualified. The university is for intelligent people not poor ones."

He has never worked in the private sector and does not regret it: "For an economist who has been trained for work in the private sector, it is very interesting to hold an executive post in the public sector. He has the opportunity to apply what he has studied to the nation's situation. You earn less money but there is a greater degree of major decision-making."

He maintains that he is also not interested in power rather in the "possibility of contributing to the implementation of policies that one believes are the best for the country, to eliminate underdevelopment, for example."

Statistics

Question You were a member of the Christian Democratic Party and one of the criticisms of that group is that the economic system chosen by the military regime "has a great deal to do with the market but nothing to do with social programs."

Answer That is one of the many demagogic phrases being bandied around in Chilean politics. It is an empty phrase. Nothing is gained by saying that one is sensitive to social issues and then, when one is in power, committing irrational acts which stop the growth of the economy. If the economy does not grow, the conditions of the poor do not improve. Some very catchy phrases can be coined such as the insensitivity of the "Chicago Boys" and the cold world of money. But they are phrases, nothing more. And he adds:

Economics is the most developed social science and that appears to disturb some people. The economists' concern for social issues is efficient and productive and not a verbal, empty concern which is not enough to get anyone into heaven because God knows everything. Some individuals feel that they will get to heaven by speaking on behalf of the poor, but it is not a matter of speaking or preaching rather of finding the most efficient mechanism for truly solving the problem of the poor.

Question The Bishops Conference has stated that the economic system is not just or good because it causes too much poverty...

Answer That remark does not help matters. It is just and reasonable for the members of the church to point out the conditions of the hungry and the suffering, but that statement could apply to each of the past 70 years.

Airplane or Comet

Question The church believes that the current economic system is making the problem worse rather than improving it...

Answer Whoever said that is mistaken, that's all. What can I say? The figures show that they are wrong. I have a great deal of respect for the church hierarchy, but in these matters I have a greater respect for statistics. It is a professional distortion, what can I say? I am certain that today the poor lead better lives. Development provides them with greater access to consumer goods, provides better job opportunities.

With 3 pesos poor people today can buy clothes from Taiwan, Hong Kong or India. With 4 pesos they can buy a radio and proudly walk down the street playing a radio cassette. The standard of living of the poorest sector has improved. This can be seen in the surveys. What can be exhibited against that type of evidence?

Question Direct testimony.

Answer Testimony which only shows that there are poor people. Of course there are poor people and there must be cases of severe poverty. But, actually, the solution to that situation depends on development.

Question An opposition economist said that you believe that the country is like an airplane, that it is merely necessary for the cockpit to take off in order for the rest of the plane to lift off, but instead what we have is a comet with a very long tail...

Answer Those are words, nothing more. Empty phrases. All studies prove that as the economy improves, passes a certain level, income distribution begins to show improvement. And the most egalitarian societies are those that have been successful in their development. So that all of us can live better, we must increase the gross domestic product, savings and employment. Without this nothing can be done.

Question And, in the meantime, we sacrifice generations?

Answer It is not a matter of sacrificing generations. If there is no savings, employment and investments, the standard of living of the poor will not improve. They will die of hunger anyway. There is no other alternative: to solve the problem of the poor we must grow and, in order to grow, we must implement a good economic policy. On this matter there are no alternatives only demagogy.

A more egalitarian society can be achieved without growth, he continues anticipating questions and comments, but the people become like sheep and there is no progress. To achieve growth we must use private enterprise, the market, competition. There are some who like a society of sheep. Well, I don't like it. I do not believe that it is compatible with being human. It is more of a condition for animals. With free private enterprise some growth begins and there are some inequalities in the first stage.

Question Continuing with your analogy of the flock, we assume that there is a shepherd watching over the weakest or dumbest or most incompetent lamb. Some critics believe that the current economic policy eliminates the shepherd.

[Answer] In Chile the government spends 50 percent of its budget on social programs. We pay 60 percent in income tax, 20 percent in value added tax and about 40 percent for social security tax. What else is there to do? Should we increase taxes even more? In addition, I believe that the size of the government is too big. It saps the energy needed for growth.

[Question] Would that expenditure be necessary if our economy were truly developing and employment was high?

[Answer] The government probably has to start cutting back on some of the social programs.

[Question] With 12 percent unemployment?

[Answer] Eleven plus percent unemployment. But the unemployed's family receives an average income of 7,000 pesos per month.

[Question] Do you believe that?

[Answer] The study was prepared by the University of Chile. I did not conduct it.

[Question] Do you see any alternatives other than a socialist economy or liberal capitalism?

[Answer] The Chilean economy is not liberal capitalism. Half of the capital is in the hands of the government and the level of spending and taxes as a percentage of GDP is one of the highest in the world. If this is capitalism, I am Chinese. It is an economy that is moving from extreme state control to a mixed economy which respects private enterprise and greatly values economic liberty.

At This Point In Time...

With respect to the constitutional model proposed by the government, Bardon states:

"It is always best to have a clear idea of the future. Among other reasons, because it is very important for investment and growth. In general, the bill responds to what is possible at this point.

[Question] For 8 more years...

[Answer] But societies change by the decade. Only demagogues say that matters can be settled in days, months or in 5 years. Eight, 10 or 20 years is nothing in the life of a country.

[Question] Don't you think the transition period is too long?

[Answer] The fact of the matter is that I have never been interested in being president. Those who are concerned about being president might be concerned. Those of us who are interested in the creation of a freer society, one that grows, one in which poverty decreases, feel that any formula that guarantees stability is all right.

[Question] According to the "Group of 24," the constitutional formula calls for "a capitalist ultraliberal economic order coupled with political autocracy."

[Answer] Those people are very good about coining phrases, catchy but empty. We have attempted to change the economic base so that the country can grow and progress. To do this we must go from a state controlled economy to a more liberal one.

[Question] Traditionally, economic policy has come from political policy. Is the situation reversed today?

[Answer] The political policies were very bad. Today political models are based more on economic variables than before. The basic change that has been made here toward a freer society has been in the economic field. And since it has been successful, more or less, it has influenced other areas of political development.

Stability

[Question] Since the new constitution is an attempt to institutionalize the present economic policy, is it in keeping with what has been achieved in recent years?

[Answer] Investment levels are still low but they are growing rapidly. I believe that next year we will exceed the historical rate (15 or 16 percent), especially now that the future of the institutional system has been made clear. And in 4 more years we would have to reach 20 percent.

[Question] Is that when take off begins?

[Answer] The Chilean economy began its take off 3 years ago. This can be measured by looking at the growth of economic activity and, in Chile, the GDP has been growing at the rate of over 8 percent since 1977.

[Question] Starting from zero...

[Answer] It doesn't matter where you start. Other countries had a recession and were left behind. It took Chile more than 20 years to recover from the 1929 world recession. Following the 1975 recession, it took us 2½ years to recover our level of investments.

He predicts that the level of growth will be maintained "because we have a good price structure, we have no balance of payments or external financing problems. Technically, we have no inflation problems. The country has good resources, good investment opportunities and people capable of undertaking business ventures."

"In addition," he concludes, "whether people like it or not, there is political stability. Since capital is frightened very easily, it is attracted to economies that provide more security."

Question Would you say that the nation's best financial asset is General Pinochet?

Answer Of course. The president has done everything possible to bring economic and political stability to the country. That is very valuable. It is the key to success. Without stability there can be no growth, there is an increase in social conflicts and a democratic system cannot be maintained in such an atmosphere.

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CSO: 3010

COSTA RICA

PPN SECRETARY GENERAL DISCUSSES PARTY

San Jose LA REPUBLICA in Spanish 20 Aug 80 p 8

[Interview with Carlos Manuel Brenes Mendez, secretary general of the PPN [National Progress Party] by Wilmer Murillo in the column "Political Wednesdays in the Republic"; date and place not given]

[Text] The man who has held the position of secretary general of the National Progress Party for a year and a half, Carlos Manuel Brenes Mendez, has spent half of his life operating a livestock ranch he owns in Quepos, and the other half taking part in politics. He was born 68 years ago in San Jose.

He served as a deputy from 1958 to 1962 during the Echandi administration. He was one of the group of deputies who supported Echandi's election, and he held the position of secretary of the congress. On a number of occasions, he presided there in the absence of those normally responsible. He has never held a judicial post, and says that in politics he has always sought to support the men he considers most capable of governing without bothering about their particular interests. During his youth, he was both a Ricardist and Cortesist. He later came to be a Calderon supporter by conviction. He decided to support Miguel Barzuna, believing that his image and his stature as a leader will cause the split between Calderonists and liberationists to be forgotten, and will help to create a new party in which there will be room for all Costa Ricans with good intentions and who are willing to work. Brenes Mendez gave the following interview to LA REPUBLICA.

[Question] As you are a Calderonist, why did you decide to support the candidacy of Miguel Barzuna?

[Answer] Because of my admiration for the work done by Dr Calderon, I became a Calderonist. I defend his brilliant administration, and I esteem his family. At this time I do not support the "Junior" movement, because I don't think that this is the most opportune time for such a move. It is my firm intention to oppose him if he is chosen as the Unity candidate, but without resorting to any low blows. I will be moderate about him. It has been customary to issue unfair and exaggerated charges. That happened in the last campaign. I hope that in the next campaign ideas and programs will be analyzed without resorting to personal attacks on the candidates, and especially without getting involved in their private lives.

[Question] In practical terms, how could you show that in the next election the voters will not be polarized between the PLN [National Liberation Party] and the Unity coalition, and that this will benefit the National Progress Party?

[Answer] The last campaign gave us an example. There were two political forces which were entitled to borrow campaign funds and which had a great tradition in previous campaigns: Liberacion and Unificacion. Two years before the election very few people thought that Rodrigo Carazo had any chance. Nonetheless the situation changed and there was polarization, but in favor of the candidacy of Carazo. The PLN, as the opposition party, had a significant number of votes, but it suffered the worst defeat in its entire history. And everyone knows what happened to Unificacion.

[Question] What type of propaganda will your party use to try to win the presidency?

[Answer] The same that it has been doing, a person to person approach. The time will come to expose the government's plans and then to extol our candidate, who has already shown that he is a great administrator and is well informed and concerned about public affairs.

[Question] How much money will the National Progress Party be inclined to spend on the election campaign?

[Answer] In politics what matters is not what you are inclined to pay, but only what you can spend. Many people believe that Miguel Barzuna and his party have a very small chance because they are not entitled to draw on campaign funds. But Carazo was also in a similar situation. He had an insignificant amount of resources that did not even

amount to 3 million colons. But he was able to spend much more than his opponent, Luis Alberto Monge. This means that if there comes a time when the citizens' interest is awakened and they begin to have faith in something better, then the resources begin to come in. A political campaign fund is an advantage, but it is not decisive in itself.

[Question] What separates you, as a Calderonist, from the Unity coalition, and what unites you with it?

[Answer] Unity is a coalition whose sole bond is the right to a campaign fund. In the PLN, a party with a great tradition, the frictions and wounds left by the clash between opposing trends have not yet healed. Monge has problems because of the dispute he had with Dr Castillo. Just imagine the clash between trends within a coalition that has not even been able to form a party.

I think that once the candidacy is decided, there will be many people who will not support the Unity candidate.

[Question] The vast majority of the Costa Rican people have seen their purchasing power drop tremendously. Don't you think that we have reached a point at which the economic situation could cause us to turn backward in political and social matters?

[Answer] We have already moved backward. It seemed to me that it was a mistake for the Carazo administration to halt programs of the previous administrations that were in full progress and for it to forget the Costa Rican tradition of governing in the interests of all the Costa Ricans.

In previous administrations there were mistakes, but there was also respect for good achievements. Carazo did the opposite. He seems to keep on campaigning, and he shuts down projects already being carried out, and then turns around and starts them up again.

The simplest cases are those of the Plaza de la Cultura and the Raventos theater. That is why I think that we have moved backward. To move forward now, even though everything can't be blamed on the government, we can turn to National Progress as an alternative.

[Question] Do you believe in the possibility of an alliance between your party and some elements which were considered important in the former Liberation movement?

[Answer] Not only do I believe it is possible, but I have always believed that we should seek an understanding between former Liberationists and sectors that are not with Unity, sectors which have shown sympathy for Barzuna, but have not joined the campaign. I believe that is necessary and I hope it will happen in the future.

[Question] There has been some speculation in recent days that the former minister Gonzalo Facio would be a member of a presidential ticket with Miguel Barzuna. Is that true?

[Answer] I couldn't say anything about that with any certainty, because I have no knowledge of the matter.

But I do believe that Gonzalo Facio is one of Costa Rica's most capable people, and any party would benefit from his wide experience and his knowledge. Let's hope it might be the National Progress Party!

[Question] Unity's preliminary candidate, Jose Hine Garcia, has said that the voters will be concentrated between Liberacion and the coalition and that the coalition will prevail. Do you also believe that National Progress has no chance of winning?

[Answer] I have always esteemed Mr Hine Garcia, but now it seems to me that he is being carried away by his enthusiasm, based on what he is saying. If he had traveled through the nation and talked with the voters, as I have done, he would be more aware of the government's unpopularity, and he would see that there is no chance of Unity's candidate winning a majority.

[Question] Who do you think has the best chance of winning in the Unity convention?

[Answer] I feel, along with the majority of the Costa Rican people, that the person with the best chances is Mr Calderon Fournier, as he has the support of a large part of Calderonism.

[Question] To which of the two largest parties, Unity and Liberacion, is National Progress closer, and what are the major reasons dividing and separating National Progress from the other parties?

[Answer] Considering the past, of course our closest ties would be with the people who voted for Carazo. But that does not mean that they are necessarily members of the coalition now. Many Liberationists see in Barzuna the person who can move the nation forward in these difficult times.

[Question] Now, turning to the subject of weapons. Do you believe that some people in President Carazo's administration are guilty?

[Answer] Not only do I believe so, but any Costa Rican who doesn't think so would have to be very prejudiced and unwilling to see things as they are.

[Question] Does National Progress want to be a force for change in the national authority, to begin a new phase, to take more vigorous action, to raise different questions, and to offer different possibilities?

[Answer] Of course it wants to make the changes that the times require, but without diverging from Costa Rican traditions and ways of thinking.

[Question] Realistically speaking, don't you think you would have to admit that it would still take a great deal for a party like yours to defeat the election machinery of the PLN or the Unity coalition, and that the only thing you are doing is to maintain your position as a viable alternative for whenever the right moment comes?

[Answer] Some people think that a party can only get the voters' support after several campaigns. But I don't share that opinion. We have to recognize that in Costa Rica, even when we are talking about parties, we still deal in personalities. If Barzuna, with his charisma and his qualities of leadership, can attract the interest of the Costa Ricans, inspire them with confidence and faith in him, the voters won't think about whether he heads a new or an old party. It isn't that Liberacion did everything wrong, but it has made many mistakes. We can't tell about Unity. It is not a party and has not had any success in solving problems. Many problems are caused by the hard times the world is going through, but most of them have been made even worse by the lack of tact on the part of the government. There is a great deal of disillusion. People believed that Carazo would govern in the style of Trejos, and that he would make a strong display of honesty. But on the contrary, he gives

attention to second and third-rate issues, and lets major problems, such as the strike in the south, wait. That is why the country is disillusioned and very concerned.

[Question] As a politician, you are practically unknown in Costa Rica. How do you plan to project your image in the economic, political, and social area?

[Answer] You are right, because I am not a politician. Politics has interested me, but I have never had any special aspirations. The politician sets himself a goal and works to achieve that goal. I don't have those aspirations and therefore I have stayed out of the limelight. In any case, projecting my image is not my job; the candidate is the one who has to win the voters' support.

[Question] And within National Progress, what are your aspirations?

[Answer] I have already said, I don't have any. It surprised me when Barzuna thought about me for secretary general of National Progress. It is possible that in the final stretch another active leader may be chosen, and things may change. My time will certainly not allow me to fulfill the duties that the secretary general has in many parties.

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CSO: 3010

COSTA RICA

BRIEFS

GRAIN PRODUCERS TO UNITE--The producers of basic grains throughout the country have organized a national chamber for the purpose of meeting a series of problems which they say are affecting farmers. Antonio Capella was named president of the chamber. He, along with Victor Alberto Quiros Basso, also a member of the organization, has held meetings in all the ricegrowing areas of the country for the purpose of raising the consciousness of these farmers and of those who raise beans, corn and sorghum. [Excerpt] [San Jose LA NACION in Spanish 23 Jul 80 p 8C] 9015

BEEF CATTLE EXPORTS DIMINISH--There has been a decline of approximately 35,000 head of cattle for export this year compared to last year. This was reported by the Meat Regulatory Commission and the Cattle Raisers Chambers Federation of Costa Rica, which attributed the decline to the lack of bank credit, among other factors. Compared to last year, when 174,475 animals were exported to the U.S. market, this year, when that market is wide open with no limits because of the scarcity of the product and when prices are satisfactory, exports will come to 140,000. Of the total earmarked for export, according to current plans, 12,381 animals have been left for internal consumption. This represents at this point 23 percent of the export figure, which is 53,696 head of cattle. This means, it was explained, that 58.9 percent of the total designated for internal consumption in 1980 has been delivered. In disclosing the marked difference from the export figure of 1979, which was 174,475, Pablo Araya, of the Meat Regulatory Commission, said that the decline was caused primarily by the lack of bank credit, since the quantity of fodder available at this time is enough to feed 325,000 additional cattle. At the same time, both attorney Araya and Adrian Castro Gonzalez, president of the Commission and of the Cattle Raisers Chambers Federation of Costa Rica, reported that the influx of cattle to market for internal consumption has been normalized. [Excerpts] [San Jose LA NACION in Spanish 3 Aug 80 p 10A] 9015

CSO: 3010

FORMATION OF U.S. COMMITTEE TO OPPOSE BLOCKADE REPORTED

Havana GRANMA in Spanish 2 Jun 80 p 4

[Dispatch by Gabriel Molina]

[Text] Havana (AIN)--The creation of an ad hoc committee fighting for termination of the U.S. blockade of Cuba was announced here Saturday by those taking part in the conference of American activists opposed to the blockade that was held from 5 to 30 May in this city.

The leaders of the 14 U.S. organizations will conduct a campaign throughout the United States, moreover, to demand an end to spy plane flights over Cuban territory and to the presence, against the will of the Cuban people, of the American base at Guantanamo.

During the meeting, which concluded Friday, the representatives of the American organizations expressing solidarity with the Cuban Revolution analyzed the ways in which the people of the United States can express their disagreement with the Carter government's policy of hostility toward Cuba.

At a press conference held Saturday at the headquarters of the ICAP [Cuban Institute for Friendship with Peoples], the press was given a statement setting forth the views of the American organizations regarding the small Caribbean island that is building socialism 90 miles from the seat of an empire.

Those participating in the conference's working sessions included Sandy Pollack, of the U.S. Communist Party; Johnnetta Cole, a professor at the University of Massachusetts; Juan Vera, of the Puerto Rican Socialist Party; and Jackie Ramos, of the Venceremos Brigade.

Also present were Sandra Levinson, executive director of the Center for Cuban Studies, New York; Rina Benmayor, of the Institute for Cultural Exchange with Cuba, San Francisco; and Robert Chrisman, of the journal THE BLACK SCHOLAR, California.

Alicia Torres, of the Antonio Maceo Brigade; Larry Smith, of the National Alliance Against Racism and Political Repression, Washington; Lauren Anderson, of the National Conference of Black Lawyers; and Harold Mayerson, of the National Lawyers Guild represented those organizations.

Other participants were Kevin Lynch, a union leader from New York; Jenny Ocampo, of the San Francisco Cultural Institute; and Elaine (as published) Fuller, of the Cuban Resource Center, New York.

Present at the press conference were Manuel Lee, chief of the America Department at the ICAP, and other officials.

Meeting with Rene Rodriguez

Rene Rodriguez, president of the ICAP, expressed Cubans' pleasure at the presence of those American friends who have spoken out in the United States itself in defense of Cuba and have made themselves heard.

He said, too, that there now exists a long tradition of solidarity practiced by those friends who come from the United States to visit, to engage in exchanges and even to work on projects.

He recalled the solidarity at Giron and during the October Crisis and said that this struggle against the blockade will not be easy, but united we will overcome.

Rodriguez attended a meeting with conference participants at the end of the work sessions. The meeting was enlivened by the groups Moncada and Mangue, and by Sara Gonzalez.

Speaking for the Americans, Johnnetta Cole said that the same groups responsible for a reduced quality of life in the United States are those that oppose the ending of hostility toward Cuba.

The instructor from the University of Massachusetts noted the presence at the meeting of Lourdes Casal, who has fought with them there in Cuba's defense.

9085

CSO: 3010

EASTERN ARMY SECOND PARTY CONGRESS MANEUVERS DESCRIBED

Havana VERDE OLIVO in Spanish 13 Jul 80 pp 30-41

[Article by Jorge Luis Blanco, Elinco Alberto and Lenner la Rosa: "Like a Single Flat"]

[Text] Combatants: we are present at one of the activities that are most important for the Eastern Army and the Revolutionary Armed Forces [FAR] in the 1979-80 Training Year--the Second Party Congress maneuvers with combat fire. To achieve the objectives assigned for this mission, a persistent effort has been made in recent months: implementation of the training program for the regular and reserve troops was of higher quality, and scheduled classes and maneuvers were carried out in the small units as well as diverse training programs and exercises of the commanders and staffs.

Now the combatants have the high honor of demonstrating the training they have accomplished and the capacity they have developed for successfully carrying out the sacred mission of defending the Socialist Fatherland.

With the arrival of night the troops begin the maneuvers in the Mayor General Ignacio Agramonte FAR National Field Maneuver Area, in Camaguey. The moment for which they have spent long days preparing themselves has arrived. First they wait in silence; then they hear the voice of command, which repeats the combat orders over all the various means of communication.

Commence.

For many hours the sweat would be clinging to their field uniforms--first in the night combat and subsequently in the offensive on the march; in the repulsion of the counterattack and introduction into combat of the second echelon; and in the airborne landing.

Consistent advance preparation was necessary in order to carry out satisfactorily each one of the steps contemplated in the tactical concept of the maneuvers--preparation involving thousands of effectives ranging from the commander to the very last reservist.

Effort and dedication were present in every class--in every detail however small--with the aim of having everything turn out well. The commitment to obtain a grade of "satisfactory" was not mere words. It reflected the firm determination of the commanders, officers, sergeants and privates to achieve superior training and combat preparation--aspects which must be evaluated in the field proper. It is not a question of maneuvering for the sake of maneuvering.

The Second Party Congress maneuvers are very important, because--as their name clearly indicates--they are designed in honor of that very important meeting of the communists, and because in the present situation of threats and aggression by imperialism this task constitutes one more step toward strengthening our combat readiness.

The Second Party Congress maneuvers unquestionably demonstrated the extent to which the units of the Revolutionary Armed Forces (represented by a grouping of forces of the Eastern Army) are prepared to repel and destroy any armed attack by imperialism against our people.

For several days--amid the smell of powder and the thunder of the explosions--we toured the units of motorized infantry, tanks, rifled and rocket artillery, and landing and assault forces. We saw the men--together with their armament and combat equipment--function with decision and swiftness. The great majority of the targets were bombarded with a precision worthy of the highest praise.

One projectile for each target. That was also a commitment of ours.

The command of the units was exercised in a dynamic and correct manner over the various means of communication--via radio, radio relay system, telephone and mobile facilities. The commanders at all levels maintained constant observation of the results achieved in the theater of operations and took the necessary measures at every moment they were required, with the aim of guaranteeing the normal development of the combat actions.

The commanders, moreover, had the opportunity to put into practice the coordination planned for among the various branches, and to verify the combat readiness of the staffs with respect to directing the combat.

Without commanders there is no victory. The correct command of the troops is a given in warfare. Here, during the maneuvers, this fact has also become manifest.

In connection with the movement of the troops one cannot overlook the labor performed by the small units responsible for the technical maintenance and minor repairs required by the battalions. These units operated behind the small units, bringing up the rear of the columns in order to lend technical assistance, eliminate defects and evacuate the damaged vehicles.

During the offensive in the march, verification was made of the cohesion and preparation on the part of the tank and motorized infantry units, and of the cooperation among the helicopters, fighter bombers, ground artillery and antiaircraft artillery.

Functioning like a single "fist", one for all, and all for one.

To achieve victory in modern combat, combat actions must be carried out in an uninterrupted manner both at night and by day, and under any weather conditions. During the "Second Party Congress" maneuvers special attention was paid to the development of night combat actions; and this was reflected in the better moral and psychological preparation of the troops. In this phase rigorous discipline under fire was manifested by all elements participating in the repulsion of the simulated attack by the enemy.

The imperialists may come whenever they wish. We are prepared to meet them in any situation, day or night.

The aviation was also active in support of the ground forces. Using the "called-in air strikes" method of combat action, the group commander was able to utilize this important force on short notice to attack those objectives that could endanger the success of the action. The surface-to-air rockets and bombs battered the targets in the field maneuver area with devastating force. The changes in the parameters and systems for high-speed flight were salient features of the simulated combat that took place in the air.

The pilots give the appearance of being engaged in actual combat. They are doing everything to perfection--as if they were contending with a real enemy.

In modern combat, helicopters are increasingly used because of their ability to transport on short notice sufficient troops and materiel to carry out important missions. They have arrived at the battlefield by flying at low level and taking advantage of the relief of the terrain, with the aim of subsequently landing the small units that will ensure the arrival of the airborne troops without alarm.

It was precisely these troops--the paratroopers--who were charged with providing a brilliant conclusion to the actions of the Second Party Congress maneuvers. The jump was made from AB-26 transport planes, and was characterized by the great skill and preparation of these men who wear camouflaged uniforms and who accomplished in a satisfactory manner the mission assigned in the simulated rear of the enemy.

The Second Party Congress maneuvers have left a legacy of graphic pictures, facts and anecdotes that attest to the high degree of combat and political preparation which the Revolutionary Armed Forces have in general achieved. We have called this evidence--embodied in photo frames and notebooks--"the maneuvers from the inside," because it was gathered while

marching side by side with the troops themselves, sharing the soldier's trench. It was gathered at the artillery emplacements in the jump area of the paratroops, from the laborious work accomplished at the command posts and staff posts, and in connection with the advance of the tanks and motorized infantry.

1. With the Infantry

The soldier was an excellent storyteller. During rest periods his comrades would ask him to tell one of his exciting stories. The point of his stories was not solely in the anecdote itself; you had to see him gesticulate. He reminded one of a puppet. He was not afraid to exaggerate; quite the contrary. I saw him stand on his head in order to illustrate an amusing story.

On the right flank the units of motorized infantry are carrying out intense defensive actions against the positions of direct contact with the enemy, for the purpose of reaching new lines of terrain and repelling the counter-attack.

Because the soldier was standing on his head, his voice came out "upside down"--but his comrades were laughing in a straightforward manner. Infantry troops are traditionally talkative. We Cubans are talkative. Everyone tells his own story without very much circumspection. Such self-confidence does not engender danger but rather security.

The tanks and the infantry are now delivering their fire as they advance. The infantry attacks without alighting from the armored personnel carriers. The infantrymen burst impetuously into the enemy positions, annihilate his forces, and continue their offensive into the enemy's rear. All resources are employed in carrying out these maneuvers.

The soldier was truly a terrific storyteller. "You've got to brighten the lives of these fellows," he said. A pharmacist by profession, he is a reservist, an infantryman. On the day of the maneuvers the most outstanding combatant of his small unit was chosen. His comrades argued in his behalf at the emulation meeting. "During the action," they said, "he was a model of discipline. When one of us was a bit laggard he would make some witty remark to spur us on. He was unquestionably the best. He is the best." Another added: "As a comrade, he is unexcelled."

The enemy begins a disorganized retreat toward the operational rear.

The soldier's name is Jose.

"And your surname?"

"Just put down, 'Jose the storyteller.'"

"That's all!"

"It doesn't seem like much to you!"

2. All of Them!

Making use of the illumination of the terrain, the antitank artillery--consisting of 57-millimeter guns--delivers fire upon the "enemy's" reconnaissance armored cars and other equipment situated in the front line and in the immediate rear, employing tracer perforating projectiles capable of great penetration.

At the time this situation arose in the course of the night combat we were very close to a battery of antitank guns. The noise produced by the 57-millimeter guns almost made it impossible for us to hear the words of command that were being given periodically. The troops labored untiringly at their fire positions. The gun commanders, gunners, gunner's helpers, loaders and supply personnel seemed unaware of the presence nearby of "outsiders" who from time to time were taking pictures.

"Who are you?" one officer finally decided to ask.

"Newsmen."

"What can I do for you?"

"We'd like to know the results obtained by the 57-millimeter guns."

"Very well, comrade. Up to now we haven't left a single target upright. Over there they are saying the reason we don't miss is because we're firing with lasers."

"Which are the best crews in the battery?"

The officer looks at us with surprise, appearing not to understand the question. He directs his gaze toward each one of the fire positions, slowly, as if looking for something he doesn't find.

"All of them!" he says.

"Surely some combatants have been more outstanding than others. Can you give me their names?"

"All of them!"

The antitank guns continue their systematic and accurate fire. At 800 meters distance the projectiles are annihilating the targets.

All of the targets.

A Critique of Excellence

"Man is a being surrounded on all sides by oblivion." This was the definition given by a writer (I forget his name) years ago in the preface to a book of his which no one now remembers. One cannot entirely agree with this theory, although the life of that poor fellow would appear to serve as an apt demonstration of his fatalistic theory. One should, however, recognize that the act of forgetting is at the least a "sickness of the times"--a defect very prevalent among us.

These reflections (which are perhaps somewhat exaggerated) became topics of polemical discussion by our working team when someone--after completing a journalistic visit to one of the units taking part in the "Second Party Congress" maneuvers--remarked that no one had ever written about the soldiers entrusted to a task who serves with landing and assault troops. How could this neglect be justified? It then occurred to us that we could--we should--write a short composition on the subject. The leader of the small unit enthusiastically supported our proposal. "It's long overdue," he said.

Ernesto's Fear

Who would have said to Ernesto Che Caballero--on the day he graduated as an assembler at a technological center in Camaguey Province--that he would soon experience one of the most moving and unforgettable emotions of his first 20 years of life? On 28 January 1979 Ernesto was called up for active military service, and the comrades of the Military Committee of Nuevitas, his birthplace, asked him if he wanted to be a paratrooper.

"It's a completely voluntary decision," they informed him. Ernesto today recalls that he was rather frightened, because he had previously not even considered such a possibility. Fright has nothing to do with fear, however.

"I accepted," Ernesto said. "I answered them by saying that if it was necessary I'd jump with a parachute. So after passing the specialized medical exam I joined a unit of landing and assault troops and began training."

"What about your fright?" we asked him.

"It went away," he replied, and went on to explain why. The combatants of the landing and assault troops--because of the nature of their assignments--develop a personal and collective discipline that is necessarily based on self-determination, comradeship and courage. These three basic principles combine to develop a spirit of teamwork and uncompromising labor. Ernesto Che Caballero verified this fact for himself during the initial training sessions.

"The instructors--and the most experienced soldiers--are totally committed to enhancing the technical skills of the 'novices.' The interest they displayed gave me confidence. In March of that year I made my first parachute jump. It was for me an unforgettable day. When I touched ground I felt tremendous joy."

"When did you start to work in the kitchen?"

"Shortly after my first jump. The command informed me that it was necessary for me to become a cook, and I stepped forward. It was almost more difficult for me to learn to cook than to make a parachute jump. I didn't even know how to make coffee. Or rather, when I did make coffee no one would drink it!"

"What are the missions and duties of a cook in a landing and assault unit, Ernesto?" we asked. Caballero smiled. He obviously had wanted us to ask that question.

"The same as those of any other specialist in that field--as those of any other cook: to ensure that the troops are well fed. In our case, however, a cook has to be able to carry out this task in any kind of situation. We have to jump with the combatants. We use cargo parachutes to drop our kitchen utensils, and we follow them down in our own parachutes."

"How many jumps have you made?"

"Seven. Four of them as a cook."

"What plans do you have for the time when you receive your discharge?"

"I'd like to continue parachute jumping as a sport, and to return to my trade as an assembler."

"What about the cooking?"

"I think my future wife will like to know that her husband does all right with a skinning ladle."

4. When the Banners Are Raised

The "ta-ta-ta-ta" of the 14.5-millimeter antiaircraft artillery is heard in the field maneuver area. The tracer projectiles rise like fine threads in search of the target that is itself slowly descending in search of the ground.

The gun commanders repeatedly raise and lower the red banners which are the signal to fire on the "enemy."

The smell of gunpowder seems to adhere to one's clothing; it is stifling. The shell cases are jumping--still hot--and falling very close to the members of the gun crew. All eyes attentively follow the luminous dot which is struggling at a height of several hundred meters to escape the marksmanship of the antiaircraft guns.

With this maneuver we have concluded the Training Year. We cannot deny that we were anxious about it, because our commitment was to obtain the highest marks. There was a great deal of tension, but the enthusiasm was even greater. Our combat fire was very successful; it was equal to the combat training received. The reservists performed superbly, to the extent that you couldn't tell who were the regular combatants and who were not.

The "ta-ta-ta-ta" of the 14.5-millimeter antiaircraft artillery is no longer heard in the field maneuver area. The sky is clear, without any luminous points in it to indicate the presence of targets to be knocked down.

The banners of the gun commanders are still.

The antiaircraft guns wait for them to be raised again.

5. Four Fellows

On the right flank, a tank column is moving forward from the rear. "It hasn't rained for days, fortunately, but the roads are still badly flooded," commented Raul Vega Fernandez, the 20-year-old leader of a tank crew. The mud puddles are, in fact, bound and determined to obstruct the maneuvers. On orders from the high command the march is organized into a column of platoons. "None of the four of us had previously taken part in maneuvers like these," the 21-year-old tank driver, Fidel Castellanos, told me. The hot sun burns. The evaporation from the damp ground creates a fog-like effect. At the prescribed location the formation deploys in a line of battle and joins in the counterattack. "This crew--our crew--had been chosen as 'best' in the current training year at the unit level, but daily practice is one thing and maneuvers of this scope are quite another," Joaquin Fehi Torren, a 23-year-old artilleryman, explains. The hoarse murmur of the motors underlies the thunder of the explosions. We might say (although the simile isn't very military) that the scene reminds one of a herd of buffalo trampling a meadow. "The most difficult moment so far was the first general practice of the exercise," said Nicolas Arrechea, leader, at 19 the youngest member of the crew. "Imagine: we were left without internal communications inside the tank." The tanks immediately open fire. Not a breeze is stirring anywhere in the field maneuver area. The next rain shower is assembling its storm clouds--or can it be the smoke from the downed targets? Who can say? "We had to communicate by gestures," Joaquin said, resuming his narrative. The infantry now begins its offensive, protected by the tank formation. I overhear favorable

comment: the actions are turning out well for the fellows. I'm glad; they deserve it. "We accomplished our mission in the maneuvers," Fidel said, "despite the difficulties. It was a moment of great tension. Our platoon leader, 2d Lt Juan Carlos Mateo, was right when he told us we had to be prepared for any emergency."

I believe this young tank crew I had the opportunity to visit several days ago is taking part in this counterattack. These four young men--barely 20 years of age--were self-assured and anxious for their unit to obtain a mark of "satisfactory." Now they're in the midst of it. "Yes," Raul had told me. "We have maintained our vanguard status in the maneuvers, but it hasn't been easy. All the comrades, in my opinion, have made an extraordinary effort. We're confident that we'll accomplish our mission on the day of these maneuvers. I'm sure we won't fail." I had taken down his words verbatim in my notebook. In rereading them I realize that to someone who doesn't hear them spoken in the field these words may appear to be somewhat conventional, or--worse still--a cliché. I won't change them, however, for any phrases that have the appearance of originality. I now look toward the battlefield. The tanks are advancing relentlessly. I attempt to count them but lose track. I don't think it's going to rain. I write down in my notebook:

"Raul, Fidel, Joaquin and Nicolas accomplished their mission."

6. The Observer

The MIG-21's can't be seen in the darkness of the moonless night, but you can hear the deafening roar of their turbines at full power. They are arriving at the battlefield, making their approach at a very low altitude.

"Number 204 here. For the entire squadron: crosswind at 3 meters per second."

"And the cloudiness, 204?"

"Good.... Set a course of 100 degrees."

"For the entire squadron: check your armament."

"Altitude?"

"Altitude 2,000 meters, 204."

"I have you in sight; you can descend...."

"Missiles!"

The first pair dive-attacks the points of resistance, command posts and fire positions of the "enemy" artillery. Coming from underneath the wings like swift, fiery arrows, the large-caliber unguided missiles are smashing down here below, raising thick columns of black smoke.



P 34. The Helicopters Arrive at the Theater of Operations



Fig. 22 (top). The MiG-21's Strike a Blow With Air-to-Surface Missiles



F 35 (bottom). The Antitank Artillery

"Target destroyed. You can return 'home.' Number 204 congratulates you."

I didn't have time to ask him for his name; we shall simply call F04 the "observer." From the beginning of the maneuvers my attention had been attracted to this man who from the ground--in the same theater of operations--was directing the missions of the aircraft by means of a radio set.

"It's a reliable apparatus," he said, "and the conversation is heard with great clarity. By using it, I am always on frequency with the planes."

When the fighter planes have left the airfield the flight director turns the command of the planes over to the observer.

"I then become the eyes and ears of the planes," he said. "From my position on the ground I orient them with respect to everything: weather conditions, the enemy's situation.... I guide them in combat: that's the way it is described."

These were the last words I exchanged with the observer, because a squadron of multipurpose fighter planes was already approaching the field maneuver area. According to the tactical concept, these aircraft would deliver a blow on the "enemy" units that were organizing to launch a counterattack.

"Check direction...; speed...; altitude...."

Based on the characteristics of the objectives targeted, the squadron is employing conventional demolition bombs of great explosive power.

"Bomba!"

From the position I occupy close to a command post, I see the small points descending in search of the ground, as the MIG's recover from their dive and gain altitude.

The observer smiles as he writes down in his notebook: "Target destroyed."

7. Political and Party Work

The continuing influence of the Political and Party Work program to a great extent ensured the success of the Second Party Congress maneuvers.

Work was accomplished in this connection under a plan previously prepared by the Political Section of the group of forces that was charged with carrying out the maneuvers, and also under plans prepared in the units and small units and by the party organizations and UJC [Union of Young Communists].

"Within the framework of the policy line to be followed by the political organizations," Lt Col Manuel Carvajal told us, "the development of socialist emulation was envisaged as a fundamental activity which would serve to stimulate the satisfactory accomplishment of the missions assigned before, during and after the maneuvers. At every moment, a great emulative spirit prevailed both among the regular combatants and the reservists."

From the outset efforts were made to create living conditions appropriate to life in the field. Through the hard work of everyone Lenin-Marx halls, gardens and other facilities were constructed to make the stay of the troops there more pleasant.



1 16 [top]

While visiting a motorized infantry regiment we happened upon a performance by the PAB Artists Group. It didn't matter that it was raining; from an improvised open-air stage our combatant-entertainers took their art to wherever the troops were engaged in their field training.

"Parallel to the training taking place in the field," the deputy regimental commander for political work declared, "cultural, sports and recreational activities have been carried out. The effort made by the amateur groups in the various units--groups consisting of officers, sergeants and privates who when the daily training was completed took up their musical instruments to enliven the evening for their comrades--was indeed commendable."

Important experience was gained when officials of the People's Government and the mass organizations of the municipalities of the mobilized reservists went to the various units and fraternized with the reservists. These officials brought letters from members of the men's families, reported on the progress of production at their respective work centers, and endeavored to learn of all the concerns of the reservists who had been integrated into the units in the field.

During the maneuvers the Political and Party Work program was involved--among other things--in publicizing safety measures for the avoidance of accidents, and helped to ensure that the combat and transportation equipment was always in good condition. To this end every type of graphic publicity was utilized, and a newspaper was published in the field to provide the information needed by the troops in training there.

The Political and Party Work program was active during every moment of the Second Party Congress maneuvers, in support of all missions assigned by the command.

B. Meeting in the Field Maneuver Area

The noise of the artillery and the whirr of the tanks has now ceased, along with the rattle of the machineguns and the crackle of the rifles. The Second Party Congress maneuvers have concluded. These days of training in the field have been difficult and exhausting, but the combatants eliminated the word "fatigue" from their vocabulary.

The occasion in question is a brief ceremony for the purpose of conducting a summary evaluation. This is the reason for all this activity here in the sun-drenched field maneuver area of a motorized infantry division of the Eastern Army.

It is indeed worth while to point out that by their very nature, tactical maneuvers constitute the basic, culminating and definitive activity that follows a lengthy training process.

As in the case of any other military, these maneuvers were conducted in a spirit of unity and it is to these results that Maj Gen Julio Casas Regueiro, alternate member of the Central Committee and commander of the Eastern Army, addressed himself in this concluding ceremony when he declared:

"With the conclusion of these maneuvers it can be said that the divisional and brigade staffs, and battalion and regimental staffs, were trained to plan for combat and to strengthen combat cohesion; and the preparation acquired by the commanders and officers in respect to making decisions, organizing combat actions and carrying out these actions was quickly evaluated and enhanced. The troops were trained under the complex conditions of a situation which is influenced by the presence of the enemy's air and ground forces...."

That was not all, however. In keeping with the results obtained, Reservist Fernando Sosa Perez, echoing the sentiments of his comrades, emphasized with emotion "...our profound gratitude for the opportunity--and also the high honor--that we have had to prepare ourselves and take part in one of the most important activities of the Eastern Army--an activity which is at the same time an appropriate and joyful salute by the Eastern Army combatants to the great gathering of the Cuban communists, the Second Party Congress. "

Moments of intense joy were experienced at this concluding ceremony, which was also presided over by the representatives of the commander of the Eastern Army, unit commanders, officers, local party officials and Soviet military specialists. The moments of greatest emotion came during the presentation of the certificates to the vanguard personnel and the presentation of the banner to a unit of reservists from Pilsa Soriano, which proved to be the most distinguished unit. No less important was the reading--by Lt Col Manuel Carvajal Valverde--of an address composed by a division of motorized infantry.

The maneuvers have not yet concluded, however, either for the reservists or for the regular personnel. This fact is emphasized by the commander of the Eastern Army, when he declared that "the reservists have the task--together with perfecting their military and political preparation--of striving to increase the productivity of their labor, to raise the level of their skills, and to master the use of equipment, in order to fulfill production plans and programmed production costs.

"The regular personnel," he said, "have the task of striving--as they continue preparing themselves militarily, technically and politically--to maintain and conserve all equipment and to achieve continuing improvement in living conditions."

In his address Reservist Sosa Perez declared that in the course of the maneuvers the great importance of preparing for the defense of the socialist fatherland had been demonstrated. In this connection Maj Gen Julio

Genoa Negutny declared: "I urge that we continue to raise the level of our combat capability, under the inspiration of three great occasions: the Second Party Congress, and the 20th anniversary of the creation of the Eastern Army and of the Baragan units, in 1961."

The reservists are now returning to the factories and farms. The regular military personnel are already applying the measures for accomplishing the work of maintaining and conserving equipment and weapons. This event was simply a meeting, held in the field maneuver area, for the purpose of making a summary evaluation and proposing new missions.

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CUBATUR TO PROMOTE INFLOX OF FOREIGN TOURISTS

Havana GRANMA in Spanish 4 Jun 80 p 1

[Article by Jose Gabriel Cama and Enrique Sanz Fals]

[Text] CUBATUR [National and International Tourist Enterprise] will implement a seven-point plan to increase international tourism in Cuba, which last year totaled 200,000 tourists.

This was reported by Jesus Jimenez, director of that enterprise of the INTUR [National Tourist Institute] and chairman of the Organizing Committee of the First Convention of CUBATUR Travel Agents, on the second day of this gathering, which is taking place at the Convention Hall.

The program of support for the work of tour operators and travel agencies includes improvement and simplification of all mechanisms of facilitation with respect to visas and passports, improvement and transformation during this year of the network of stores for tourists, increased efficiency in all services to which tourists are entitled, and more active participation in fairs, expositions and presentations, which contribute to better acquainting those in source countries with what Cuba has to offer.

The other elements of the plan are direct participation in promotion of Cuba in source countries, entailing advertising programs, the first of which has just begun in Canada, with others to be launched soon in other countries; the opening of information, promotion and public relations offices in Frankfurt, Paris, Toronto, Washington and Mexico City in 1980; and improvement of the quality of our advertising media and their variety, with respect to brochures, tourist guides, slides, videotape cassettes and films.

Jimenez noted, "Cuba has, as basic components of its tourist product, numerous incomparable natural resources, a long and rich history to display, a culture that blends the traditional with the modern, and a social system of great politico-economic interest. Supported by a rapidly developing tourism infrastructure and a growing tourist industry composed of countless hotels and other housing facilities located throughout the island, in our chief cities, at the beaches, mountains, lakes, valleys and other points of interest to tourists, these components offer the visitor

a pleasant, comfortable stay. Everything together makes up a varied, multifaceted package capable of satisfying the most stringent demands of tourists from abroad."

The CUBATUR director answered a number of questions asked by representatives of travel agencies and air and sea transport enterprises; and he stated that Cuba has 118 hotels containing over 30,000 beds. He also indicated that at present 18 hotels intended for the tourism network are under construction and nearing completion.

Toward the end, the 272 delegates from 27 countries were shown films, videotapes and slides demonstrating Cuba's tourist product and aspects of the country's socio-economic development.

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BRIEFS

GRADUATES AS TOURIST GUIDES--University graduates have been invited by the enterprise CUBATUR [National and International Tourist Enterprise] to apply for selection as tourist guides. Those applying should fulfill the following requirements: to be a graduate, preferably of the former School of Humanities; to have a degree in history, political science, sociology, foreign languages or physical culture; to be an active part of the revolution; to know a language; to be 17 or younger; to have good personal appearance and speak well. All those interested may apply before 30 June at the CUBATUR Guides Unit, on 23d between N and O, Vedado, between 0800 and 1200 hours, presenting the following personal documents: identity card, certification of educational level, autobiography and six identification photos. The candidates will undergo a selection process for assessment of their qualifications. [Text] [Havana GRANMA in Spanish 13 Jun 80 p 1] 9085

U.S. ENTERTAINERS VISIT HAVANA--The Karl Marx Theater has announced the only three performances of the Harry Belafonte show, which will include musicians and singers from the United States. The performances will take place on Wednesday, 18 June, Thursday, 19 June, and Friday, 20 June, at 2100 hours. Tickets costing 4 pesos, orchestra, 3 pesos, rear orchestra, 2.5 pesos, first balcony, and 1.5 pesos, second balcony, can be purchased at the theater's box offices beginning today, Friday, 13 June, at the regular hours of 1500 to 2100 hours. We wish to remind those attending the performances that 15 minutes before the show begins, they lose the right to their reserved seat. [Text] [Havana GRANMA in Spanish 13 June 80 p 2] 9085

CSG: 3010

GUTIERREZ DISCUSSES CORRUPTION, VIOLENCE

San Salvador EL MUNDO in Spanish 30 Jul 80 p 32

[Text] The visit to this newspaper by Col Jaime Abdul Gutierrez, member of the Government Revolutionary Junta, in connection with tomorrow's Day of the Journalist, has resulted in a press conference.

The government leader was accompanied by Col Jose Guillermo Garcia, minister of defense, and Col Marco Aurelio Gonzalez, a member of COPREFA [Armed Forces Press Committee].

After a greeting for members of the newspaper's editorial staff, with good wishes for each of them and recognition of the news job being done by EL MUNDO, Colonel Gutierrez and Colonel Garcia answered questions asked by the editors of this newspaper.

One of the questions dealt with the problem of corruption at the administrative level of government and abuses of authority. Colonel Gutierrez said:

"Corruption is a burden which has been around for a long time and is, therefore, difficult to eradicate from one day to the next. Nevertheless, the Junta has been making an effort since it came into power to put an end to that problem and proof of this is the fact that the Office of the Attorney General has initiated legal action against those accused of this crime. With regard to abuses of authority which occur particularly at the lower levels, the directors of the Security Corps are weekly dismissing those individuals who are not living up to the objective of a sound administration and satisfactory behavior by personnel serving in said corps." Colonel Gutierrez said: "The cleaning out process is complementary to the one being carried out against violence, since it is the intention of this government to have the country travel down the path of order, justice, freedom and work."

To another question about statements made by Colonel Majano to the effect that the Armed Forces' Proclamation would be discredited if violence does not end and that there was an urgent need for dialog with the Revolutionary

Democratic Front (FDR), Colonel Gutierrez said that since the Proclamation's purposes included putting an end to violence if it is not controlled there is no question that this Armed Forces Proclamation objective will not have been reached. As for dialog with the FDR, he said: "In order for a dialog to take place, it is necessary to have two parties. Obviously, those of the FDR are not in favor of a dialog since they are proclaiming armed struggle as the solution to a problem which the Salvadoran people will definitely resolve." He explained that everyone in the Junta expresses his opinion and that if in a given case there is discussion as a result of apparently different viewpoints this does not mean that unity of thought and action does not exist at the Junta level. With reference to the attitude of those who are now abroad conducting a promotional campaign to take over the government, the colonel reminded us that some of these persons had occupied the highest levels of government and that they were full of theory but had done nothing practical for our people who are calling for effective measures for their development and well-being. "The great revolution which they are promoting," Colonel Gutierrez said, "was nothing more than a decree for the dissolution of order."

"I believe," he emphasized, "that this country's problems will be resolved by the people, who are the majority, and not by minority groups which have forgotten the national interest and are only seeking their own objectives, without thinking about what the people really want, namely peace in order to work and a climate of security, with respect for and adherence to human rights."

On this same subject, Colonel Garcia, minister of defense, said that the opposition groups will have a great opportunity during the election process which will take place in due time; however, he said that those so-called revolutionary groups feel panic when there is talk of elections, because they know that the Salvadoran people are not in favor of violence and will give them no support. Colonel Garcia added that the Armed Forces are ready to fully guarantee the election process so that it will be the people who decide what kind of government they prefer.

Another question concerned the National University. Colonel Gutierrez answered it by saying that this matter was being studied by a special committee to determine the most appropriate solution to the problem. He advised that they, i.e., the Junta, are not against teaching freedom and that all kinds of opinions can be expressed at the university, including Marxism, but that it cannot be occupied or used for purposes unrelated to teaching and the academic training of those who attend the university to study for a specific career.

Another question was asked about young Morales Carbonell, son of Dr. Jose Antonio Morales Ehrlich, member of the Junta. Colonel Gutierrez said that the youth's detention was part of the legal procedures and that the case would eventually be heard in a court martial. He added, in response to a question concerning why in this case detention was ordered rather than a

release, as was done in the case of Samayoa Leiva, that this is a court decision made on the basis of the facts in each case.

For his part, with respect to the detention of Morales Carbonell, the minister of defense said it was worth pointing out that even though the accused is the son of one of the government leaders, this had not exerted influence for his release and that everything had been done in accordance with legal principles.

Another question relating to the dialog between the Junta and sectors opposed to the latter was whether any thought had been given to the moderate elements in the FDR. To this Colonel Gutierrez replied: "Moderate is a relative term because all groups affiliated with the FDR have had the same origin and for publicity purposes have taken refuge in the university. I accept the fact that they are good intellectuals but not moderates; and as concerns the government, it has already tried but did not do a thing."

Finally, on the subject of freedom of speech and referring to the Day of the Journalist, Colonel Gutierrez stated categorically that the Junta was not asking the information media to stop carrying out their news mission, since the Junta understood that this task was the journalist's responsibility. He emphasized, nevertheless, that the job of providing information should be done objectively and truthfully and that it was not acceptable for a news report to be distorted to the detriment of sectors which always expect the truth from their information media.

8141

CSO: 1010

NATIONAL GUARD HEAD DISCUSSES SUBVERSION

San Salvador EL MUNDO in Spanish 31 Jul 80 p 2

[Text] "Communism proposes to enslave us, no matter how astutely and hypocritically it presents itself as a liberator," said Col Carlos Eugenio Vides Casanova, director general of the National Guard, at a reception his organization held for journalists yesterday. The colonel's comment was made in reference to the country's current situation.

The official added that the National Guard is aware that military action alone is not enough to counteract subversion and that it is also necessary to fight in the ideological sector. "What is more," he added, "we must promote intensive action to strengthen our democratic system so that there is participation by all sectors truly representative of Salvadorans who wish to return to peace in order to work for national progress."

On the subject of the new socioeconomic structures adopted by the government, Colonel Vides Casanova said that changes such as agrarian reform and the nationalization of the banking system and foreign trade are actions which translate into social justice for all Salvadorans. He also said that efforts are being made to ensure the exercise of individual freedoms with responsibility and justice to build a strong society capable of resisting the aggression of foreign systems or ideologies.

"At this time, I should like to call upon the few persons who wish to destroy the country to not only examine their consciences but also to move onto the terrain of practicality, reject Marxist teachings and reintegrate themselves decisively and honorably into the social life which the fatherland demands," he said.

He concluded by saying that the press as an institution and journalists as communications professionals have the fullest cooperation of the National Guard "so that their noble mission of service can be carried out with dignity and so that they will be able to tell the truth with the broadest impartiality."

Colonel Vides Casanova made an appeal for reason, reflection and good sense on the part of all Salvadorans and said that a continuing effort is being made to avoid the loss of human life and the destruction of property. He asked parents to help their children with timely counseling to keep them from taking the wrong road.

8143

CSO: 3010

EL SALVADOR

LABOR MINISTRY REMINDS WORKERS NOT TO MISS WORK

San Salvador EL MUNDO in Spanish 21 Jul 80 p 21

[Text] The Ministry of Labor and Social Security, in view of the fact that the enemies of freedom of work are trying to paralyze the productive activities of Salvadorans, thus assaulting their economy and welfare, with this notice rouses the workers to attend to their labors and the employers to keep their places of business open without any interruption.

To that end remember that in the Labor Law there are the following clear and definite provisions regarding unjustifiable absences from work:

Article 50, clause 12a, states to the letter:

"The employer will be able to consider the work contract terminated without incurring responsibility for the following reasons: if the worker is absent from his labors without the employer's permission or without justifiable reason for 2 full and consecutive working days or for 3 nonconsecutive working days in the same calendar month, meaning in the latter case not only full days but even half days."

Articles 119 and 171 state: "The worker who does not appear at his job, without justifiable reason on his part, loses his wages corresponding to the days absent, as well as remuneration for the weekly day off."

The ministry invites employers and workers to keep up their normal activities at all times and especially during this week, thus contributing to El Salvador's economic and social development and to a future of peace and tranquillity, which we all want.

San Salvador, 21 July 1980.

9545

CSO: 3010

PRODUCTIVE ALLIANCE DISCUSSES COUNTRY'S PROBLEMS

Bogota EL TIEMPO in Spanish 25 Jul 80 p 7-B

[Text] Board members of the Salvadoran organization Productive Alliance [AP], which includes El Salvador's industrial, trade and agricultural sectors, have stated that the Jesuits working here are subversives and that the extreme left as much as the extreme right, which are spreading terror in the smallest country in the Americas, represent a minimal part of the population, which does not share their policies.

The AP spokesmen emphatically stated that this entire Salvadoran problem is directed and sponsored by Communist governments that want to transform the Caribbean into "a Marxist sea to control the oil routes."

"The extremists have devoted themselves to spreading an unreal picture of what is happening in our country," said the Salvadoran businessmen at a press conference held at the FENALCO [National Federation of Businessmen] headquarters.

The AP, which has just been promoting its principles in Washington and Caracas, where the group was received with visible warmth, is visiting Colombia. Besides speaking to the press, the AP established contact with the heads of Colombian industry and trade and visited the Ministry of Foreign Relations, where AP members revealed the reasons for starting their organization: trying to start a dialog with the present Salvadoran Government junta to contribute ideas aimed at achieving peace in El Salvador.

Right now AP members are pessimistic about the possibility that there will be elections, at least for 2 years. "It is impossible to go to the polls in a country where there is a minimum of 20 deaths daily," one AP member said.

Similarly they rejected the present government junta, whose policies they do not support but are obliged to share because this is the only way to prevent a radical government of the left.

The representatives visiting Colombia are: Juan Vicente Maldonado, executive director of the National Association for Private Enterprise;

Manuel Hinds, former minister of the economy in the first government junta; Carlos Hipolito Murillo, manager of the El Salvador Chamber of Commerce; Alejandro Villabona, vice president of the Union of Heads of Businesses; and Carlos Gonzalez, vice president of the National Federation of Small Business. Mr. Villabona survived a terrorist assassination attempt before starting his promotional tour for the AP.

Another of the subjects covered by the association was the ever-increasing scarcity of currency, which is being hoarded by the rich and the middle classes, which are not depositing their money in banks for fear of terrorism and strikes in a country where the words "hostage," "kidnaping" and "death" have become commonplace.

Analyzing El Salvador's underdevelopment, AP spokesmen attributed it to the country's small area and the terrifying growth of its population, victim of a stagnant economy in which the prices of its exports are fixed by world powers and make competition difficult, as well as to the absolute lack of mineral resources such as gas, oil and coal. These ailments, added to violence and terrorism, have brought deplorable results in this Central American country, which for more than 10 years has experienced the most absolute social and physical insecurity which has become even more marked in the last 2 years.

Regarding armed groups, the AP defined them as follows: "There are minority groups of terrorists who have to be distinguished from the guerrillas, because the first attack the civilian population, while the second fight government soldiers. The left consists of FAPU [United Popular Action Front], LP 28, BPR [Popular Revolutionary Bloc] and FDR [Democratic Revolutionary Front], which in addition to receiving money from communist countries are financed by industry, which pays the ransom for the kidnappings so much in vogue.

"The extreme right, smaller in size and power, is represented by 'The Death Squad' and by a commando group called Order that is invading the Salvadoran countryside and cities with terror."

AP members stated that they are ready to remain in their country and that they have not considered fleeing to invest their capital in other countries. "We will continue generating wealth to distribute it," said the industrialists and businessmen who comprise a new front for action in El Salvador.

9545

CSO: 3010

ACOEES CONCERNED WITH SAFETY OF ITS MEMBERS

San Salvador EL MUNDO In Spanish 15 Jul 80 p 3

[Text] The Association of Foreign Correspondents in El Salvador (ACOEES) has sent us a copy of an open letter to the Government Junta in which it describes actions of which members of the international press have been victims and make the following demands:

1. Full guarantees for the safety of foreign journalists sent to El Salvador and for Salvadoran nationals working for the international news media.
2. Free access to any type of information of world interest and the right to withhold the identity of the source of information.
3. Free circulation of news material toward its destination without any kind of inspection or interference and the right to free mobilization of correspondents and journalists to cover sources of information.
4. The right to provide news with neither self-censorship nor outside censorship, as well as without bugging of telephone or teletype lines.

It also states the following: "In view of the political nature of the attacks on the national and foreign press in El Salvador, ACOEES holds the Government Junta of the Republic responsible for any attempt on their life that journalists may suffer, because the Junta is the highest representative of the constitutionally established state.

"We also wish to clarify that:

"1. Our presence in El Salvador is for professional reasons. We remain outside of any political debate. As professionals we have a right to journalistic judgments.

"2. We place on record the complete repudiation of the horrible assassination of two Salvadoran colleagues, and we ask the Salvadoran Government to step up its investigations to punish the guilty persons as a lesson.

"3. Moreover, we ask the government for an official report on the progress of the investigations as well as for an immediate clarification on the disappearance of journalist Rene Tamaen.

"4. We hope that the Salvadoran Government will instruct the immigration authorities to at no time restrict international journalists' entry and stay in El Salvador."

9545

CSO: 3010

POLITICAL PARTY LEADERS DISCUSS PRE-ELECTION ACTIVITIES

Guatemala City PRENSA LIBRE in Spanish 25, 26 Aug 80

[Article by Alicia Carrera: "1982: Political Parties Initiate Pre-election Activities"]

[25 Aug 80, pp 8, 74, 75]

[Text] With the general elections for president and vice president, deputies and officials of leading municipal entities 18 months away, the Guatemalan political parties are starting to devise the strategies for their election campaign that will lead them to victory.

The eight legally registered political parties which will be participating in the forthcoming electoral contest are (in alphabetical order): the Nationalist Authentic Central Party [CAN], Guatemalan Christian Democracy [DCG], Nationalist United Front [FON], United Revolutionary Front [FUR], National Liberation Movement [MLN], Democratic Institutional Party [PID], Reformist National Party [PNR] and Revolutionary Party [PR].

These parties are already at the height of pre-election activity, reorganizing their national, departmental and municipal leadership cadres, as well as preparing their government programs, which are regarded as important before considering the selection of possible presidential candidates.

According to responses from inquiries made among the leaders, the general idea is to prepare the government program first, and subsequently seek the person who would be capable of implementing it. To date, there has been no consensus as to whether that person will be a civilian or a member of the military.

There is consensus among the leaders of the eight registered political parties, three of which will be participating in elections for the first time, on the necessity of forming alliances and coalitions in order to win the elections; because it would be extremely difficult for a single party to win an absolute majority.

The leaders also share the action of rejecting the extreme groups, because of their inactivity. Some are considering the organization of a great nationalist center alliance, in order to achieve unification of forces in the country, and to insure social peace, provided there is success in checking the violence which is hampering the country's development, and the making of the necessary social changes.

Following are the views of the Guatemalan political party leaders:

PID

Dr. Jorge Trinidad Leon Ramirez, chairman of the PID's political council and first vice president of the Congress of the Republic, stated: "During this pre-election period for 1982, the Democratic Institutional Party is only carrying out the phases which were previously arranged on 1 July 1979.

"These phases are: to plan the elections for mayors of 279 municipalities that were formed in 1980, selecting the individuals best equipped to win in each municipality, as well as providing the necessary organization on the municipal branch level to convert that victory into a reality."

He went on to say: "The aforementioned candidates for mayor were named. There was participation in the elections of 20 April 1980, with the assignment of posts and the taking of office therein, on 15 June of this year. That phase concluded with the second meeting of PID mayors, for the purpose of learning the individual concerns of each municipality in which the PID won, and giving them the necessary assistance for performing the job of the mayors."

He continued: "The mayor's prestige accrues to the benefit not only of the voters who elected him, but also that of our country's development and that of the PID, which brought him to the position in an honorable fashion."

He was asked: "Do you think that the violence in the country could upset the normal holding of elections in 1982?"

He replied: "There is not the slightest doubt that the violence could upset any type of election that is held, in one way or another, and in varying degrees. Hence the need for a peaceful atmosphere, affording a better election process."

"However, we are certain that the 1982 elections will take place with the integrity and honesty which marked the elections of 20 April of this year. At times, peoples of the world have to engage in such civic acts under unfavorable conditions, in order to comply with the terms of the constitution, but the elections must be held, and if they take place peacefully, they will serve their purpose to completion."

He was asked: "Has the PID considered the need for forming pre-election alliances?"

"In fact it isn't. The third phase of our strategy consists of the formation of electoral alliances. In the particular instance of 1980, the goal is to set up a great center in which there is room for all the political institutions that believe in democracy and seek the path of the vote rather than that of bullets to fulfill the aspirations of an entire people.

"The PID was the party which made the most alliances in the last municipal elections and, among other factors, this was one of the bulwarks on which its indisputable victory on the municipal level was based.

"For the presidential elections of 1982, the PID thinks that a government program common to all the parties that will comprise this great center Alliance should be devised. Once it has been devised, there should be a selection from among this combination of parties of the two individuals best suited to be candidates for the presidency and the vice-presidency, to carry out that program."

He stressed: "For that reason, the PID will embark upon these discussions with a clean slate, and without any candidate, like the other parties; so that the conclusions therefrom will be the result of their deliberations concerning ideas and individuals. The latter, with the election campaign, which will conclude in March 1982, constitutes the fourth phase for the PID."

He was asked: "Speaking of candidates, which proposition would the PID back, a civilian or a military?"

"The PID has no preference for any proposition, because it always sounds out the desires of the people, and interprets them; inasmuch as, since it is a party, it is only a vehicle for the people's aspirations, and as such it must subject itself to what the vast majorities in the country want.

"This may perhaps be the underlying reason for much of the PID's success in the last three presidential election contests: that of 1970, with Gen Carlos Manuel Arias; that of 1974, with Gen Kjell Laugerud Garcia; and that of 1978, with Gen Fernando Romeo Lucas. Hence, the PID expects to enjoy the confidence of the electorate in 1982."

He concluded by saying: "The PID is not a party serving personal interests, but rather a constitutional vehicle for interpreting a people from the standpoint of their thoughts and the individuals who should lead them."

MLN

Mr Rudy Fuentes Sandoval, deputy director of the MLN, commented: "Before planning the campaign strategy for the 1982 elections, the Nacionalista Libertaria Movement made an evaluation of the municipal elections held on 20 April of this year.

"The national board of directors, together with the departmental ones, has requested a complete report on the situations that they discovered in their respective electoral districts, which will help the board to ascertain how many voters abstained in each municipality. We already know, from our data, that only an average of 17 percent of the voters went to the polls.

"We know that many refrained from voting because they were not prompted to do so in municipal elections; and that others abstained because, in some municipalities, pressure was exerted in favor of certain political entities, which displeased many people.

"Furthermore, the violence that prevailed in the country was also a decisive factor deterring people from voting. Many did not want to antagonize the other candidates. There was a certain amount of fear.

"With this information, the MLN is reinforcing its pertinent organs, in an effort which will end in October, at the latest. We are demanding greater activity on the part of the national directors with respect to the various branches of the party.

"Other members of the MLN are also working actively. The women's branch is reorganizing its subsidiaries in the capital and the departments, and so are the labor branches, which are organizing what is termed the metropolitan branch in the capital. The university group has also been active, contacting representatives from all the universities existing in the country.

"The professional branch has planned to go to the interior of the country to found branches, as has the Liberation Party youth, called MOJULI [Liberation Youth Movement], which, among its activities, held a contest for queen of the outlying areas, who will be crowned the day before the 15 September celebration."

He was asked: "When do you intend to begin the campaign?"

"In January, but we are already reinforcing all the cadres. The violence in the country could have a partial effect on the progress of the campaign, but not a total one. It will affect the places where there are subversive groups, such as Quiché, Quezaltenango and San Marcos, but to a minimal extent."

He was asked: "Have they already chosen a candidate?"

"Mario Sandoval Alarcón, the general director of the MLN, is the candidate selected by the high command, because it is felt that his image is indisputable not only within the party, but also among anticommunist Guatemalans who want peace and democracy for Guatemalans.

"The M-18 has a record of more than 15 years of uninterrupted struggle. The present manner of violence that Guatemala is experiencing has converted our candidate into one of the few options left to us Guatemalans. Sandoval Alarcon is well known, both nationally and internationally.

"No decision has been made yet regarding his running mate. We must make an analysis and inquiry to find out who will fit on the ticket, and that will be the candidate for the vice-presidency. There are in the M-18 democratic and anticommunist elements of conviction, who could serve as a running mate."

He was asked: "What about political alliances?"

"Our policy, because it is democratic, is receptive to dialog. What we are looking for promptly, peace and calm for Guatemala. If there is any political group with a doctrine that is the same as, or similar to ours, it will be well received; but it would be allied with our candidate, and the position of Vice-president might possibly be negotiated."

He was asked: "Is there already a government plan?"

"Sandoval Alarcon appointed a committee to devise it, which has an appropriate period in which to submit it, after studying the state of the nation."

M. Fuentes Sandoval concluded by saying: "We expect that, as usual, the honorable citizens who desire the good of the country will support us in the forthcoming campaign."

CAN

Luis Alfonso Lopez, secretary general of the CAN, declared: "After having assessed the recent municipal elections in which the Nationalist Authentic Central Party achieved definite success participating as a political party for the first time, we are evaluating the sociological, political and civic areas.

"We are currently reviewing all viewpoints, our plans and our procedures, as well as matters associated with improved organization throughout the entire republic, with a view toward the forthcoming general elections. We are also reviewing the important information that has been obtained, which has given us background with which to start up a new national plan in the entire republic.

"On the basis of that analysis, we are calling for the nation's peace to be upheld, and for the maintenance of a permanent reign of peace in the entire country, as a sentiment and demonstration of an effective state.

"We in the CAN have perceived that the desires of Guatemalans are inclined toward the attainment of this yearned-for peace. Therefore, we consider it a top priority to maintain the peace, by means of better civic education.

marked by conviction and absolute dedication to Guatemala, putting our nationalist doctrine into practice.

"The CAN is not yet engaged in a pre-election campaign, because the people are not in an emotional mood, seeking candidates or thinking about elections; but rather are seeking their own security, equanimity and peace. Peace is the first thing that we must achieve. This campaign that we in the party are conducting to attain it has no political label. Where politics is concerned, actions take precedence over schedules."

He was asked: "In addition to this campaign for peace, are your branches being reorganized?"

"Yes. We now have branches in all the departments. Starting next week, we shall be making departmental visits for the purpose of personal exchanges of views with all the provincial boards."

"The committees that make these tours will ascertain the status of the cadres. We shall give the boards or directors the CAN guidelines, and so that they may operate efficiently, we shall maintain a constant relationship with the members."

"We have reiterated to the leaders and members that we aspire to obtain the greatest good for Guatemalans, noting that matters must be resolved within the institutional framework. There must be a thorough awareness that this should be the aspiration of every good Guatemalan: namely, to maintain everything in an institutional manner."

He was asked: "Have you considered forming pre-election alliances?"

"Not yet; we do not have a guide yet. We shall proceed with the branches to state what our position will be. We must make an assessment, and later decide whether to form alliances or coalitions. At the moment, we do not consider this feasible. What we are doing is training people, on the visits that we make to them, and lending them all the assistance that they need."

"What we are preparing in the party is the government plan, but we have not yet considered whether the future candidate will be a civilian or a member of the military, nor what his occupation or field will be. Discrimination is dangerous. We need a Guatemalan who will respond to the historical times to which we are living."

END

Edmond Mulet, recording secretary of the Reformist National Party (PNR), said: "We view the general situation in the country with optimism."

He added: "The future is promising for Guatemalans. There is a national awareness of the country's problems and of the causes which have produced

them. Of course, it is not an easy task to overcome corruption, improvisation, violence and lack of vision; but there is a desire among many sectors to apply some solutions.

"The 1982 election will give an opportunity for groups which have been excluded from the major decisions up until now to make a constructive transformation of our country. The political parties bear the greatest responsibility, because it is now that they must be most careful to avoid placing themselves in the service of political gangsterism which is attempting to control the destiny of Guatemala by various means."

He was asked: "What do you think about the violence that the country is suffering?"

"The violence has been a result of the inability and failure of the extremist groups to make themselves heard through civilized methods. The extreme left cannot win followers when there are dissidents in the Soviet Union, when there are invasions in Afghanistan and when over 100,000 Cubans have become voluntary exiles in only 2 months.

"On the other hand, the extreme right stopped convincing people from the time when there existed inequality of opportunity for advancement, and when, lacking the ideological and political preparation for preserving what it had, it rejected dialog, engaged in repression, destroyed and annihilated. This is a time for making an appeal for harmony. Only a general amnesty for all the conflicting groups can achieve it; because so long as there are some who want to be the conquerors of others, there will be no peace.

"Speaking of political alliances, I can say that, owing to the system of party plurality, alliances are required, but they will be made during the final months before the 1982 elections, when each party has examined closely the behavior of its potential allies or fellow candidates. Since our system is mainly presidentialist, the images of the candidates will have a great deal to do with the formation of the various coalitions."

He was asked: "Has the PNR any candidate in mind for 1982?"

"Alejandro Maldonado Aguirre is the PNR's virtual candidate. His record, and his practical, humanist philosophy, as a leader who has proven to make firm decisions at difficult times, have been the focal point for the formation of war rank and file, which has been joined by other groups.

"This has been stated previously, and the PNR's position has not changed in this regard. Everything can be negotiated except the candidacy of Maldonado Aguirre, the program of national self-confidence and our conduct, based on dialog and the repudiation of violence.

"The municipal elections of 20 April of this year were a great experience, and gave us much gratification. On that basis, we are continuing to

organize branches and associated groups, particularly among teachers. We go on tours, and give talks on the proposition for renovation, reform and development that we uphold. By January 1981, when we start the campaign, we shall have a complete organization throughout the entire country."

He was asked: "What about the unity pact made with the FUN?"

"It is a program-related alliance that we made with the Nationalist United Front. That pact is being joined by other political groups which are concerned about the current state of the country. Together, we shall make proposals to the citizenry and the government, suggesting solutions for our most pressing problems."

He concluded by saying: "At the appropriate time, we entitles merged in what has been termed the Democratic Alliance will embark upon dialog regarding the 1982 presidential elections."

or

Mr Alfonso Cabrera, the party's executive, stated: "We shall continue to work on the political organization of Guatemalan Christian Democracy all over the country, despite the fact that the branches have been closed as a result of security measures against the threats to and assassinations of our leaders."

He added: "Throughout the country we have maintained a certain work dynamism, although not on a normal basis, because of the aforementioned problems and the deaths of leaders, which forced us to adopt some safety measures."

He said: "With regard to the next general elections, we are preparing a program for government accomplishments which will be ready by the end of this year. We shall offer it for public discussion."

"A solution for the country's problems must be sought, not through a presidential candidacy, but rather through a concrete policy plan."

"The plan that we shall propose is very important. It calls for the participation of all sectors in the construction of the policy plan. Not only will the parties participate, but all the national sectors as well. This is the only way in which peace will be attained."

"For the normal progress of the preselection period, there must be peace in the country. Possibly next week, we shall propose methods for pacifying the nation, by means of two fundamental requirements."

"The first one is that the level of violence must be reduced, in order to create an atmosphere of security, whereby the citizens may dare participate in the elections. The second is that there be guarantees of the election

results, just as there were in the recent elections for mayor. The important thing is that all sectors participate, so as to restore confidence to the citizens.

"Insofar as a precandidate for the presidency is concerned, DC does not have a candidate as yet. It is not a candidacy, but rather a policy plan that we need. We shall not consider anyone for the present time."

He concluded by saying: "As for political alliances for the elections, alliances must eventually be formed, but we are not yet considering any. This will occur at the proper time."

[26 Aug 80, p 14]

[Text] PR

Angel Hermogenes Martinez, the PR's secretary of organization, said: "The Revolutionary Party is reorganizing its departmental branches, because they have been completely neglected.

"We are going out to the departments for this purpose. Last weekend we went to Izabal, which we toured to hold discussions with the secretaries; and there, as in the other departments which we visited, we noted that our people have a great desire to cooperate with the PR."

He remarked: "In this reorganization preceding the election campaign that is approaching, we are placing emphasis on the youth organization. As an example, we initiated it in Puerto Barrios with 70 enthusiastic young people."

He was asked: "Is the party's internal crisis affecting the efforts?"

"What crisis? What happened was that four deputies who are members of the PR were dissatisfied because they did not win the presidency of the Congress; but there is no problem in the party.

"For the campaign to take place normally, it would be feasible to curb the violence, because that is having an effect. Peace is necessary for the security of individuals, so that we may live in calmness.

"The PR advocates a nationalist proposition that is equidistant from the two extremes, a left of center proposition; and we think that Guatemala should be for us, and that we should solve our own problems, and also that there should be greater social justice.

"As we told our people, we are confident that the state of violence will end. We think that we should remain aloof from the influence of the imperialism

of both the Union of Soviet Socialist Republics and Cuba, because their doctrine is bad; it prevents the individual from becoming fulfilled as such."

He was asked: "With regard to the future president, which proposition does the PR support, the civilian or the military?"

"I think that, if he were a member of the military who was liked by the people and was capable of executing the government plan that we in the party are devising, we would back him, just as we would a civilian. The important thing is that there be someone capable of carrying out the reforms which will provide greater social justice and participation for the people."

He was asked: "What is your opinion on alliances with other parties?"

"If the time were ideal, and if there were groups or organizations backing the party's plan, it would be feasible to become allied with them. The more organizations there are supporting us, the greater chances there are for victory."

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CSO: 3010

HONDURAS

ARMY CHIEF OF STAFF COMMENTS ON CURRENT PROBLEMS

Chinchilla Discusses Violence, Salvador

San Pedro Sula LA PRENSA in Spanish 11 Jun 80 p 2

[Text] Army Chief of Staff Gen Mario Enrique Chinchilla stated yesterday that "there is no peace settlement behind the back of the Honduran people" in Honduras's conflict with El Salvador.

The ranking military officer turned aside the accusations by Camilo Gomez y Gomez, a former official at the Honduran Foreign Ministry, who charged that the current administration was negotiating a peace treaty damaging to Honduras's interests.

Chinchilla Carcamo said that the gains made in the peace negotiations "are in keeping with the terms of the Mediation Pact signed with the neighboring republic," adding that the scope of a possible agreement could not be disclosed for the time being because "there are confidential matters preventing this."

The chief of staff acknowledged that the mediation process moving forward with the aid of Peruvian jurist Jose Luis Bustamante Rivero "is being carried out at a slow but sure pace."

We Are Prepared

When questioned as to the army's opinion on the wave of violence that is jolting Central America and its repercussions on Honduras, Chinchilla Carcamo indicated that "living conditions in our country are not the same as those prevailing in our neighbors."

"Each country," he went on to say, "has its own internal problems stemming from the situation in which it finds itself, but that climate will not reach our country because we are on the lookout to combat them."

Political Future

The Honduran Army's second ranking officer feels that the results of the recent balloting "are satisfactory," adding that: "The most important thing is that the military has kept its promise to hold elections and guarantee the electoral process."

Chinchilla Carcamo denied that there are splits within the Armed Forces and indicated that the statements regarding the alleged politicization of the forces "are sheer speculation."

Nevertheless, when questioned as to the possibility that Gen Policarpo Paz Garcia might run for president of the provisional government, he said that "the National Constituent Assembly will decide on that."

The chief of staff feels that the calm prevailing in Honduras "is due to the Armed Forces" and he argued that "the Honduran people had the chance to vote for the candidate of their choice and for the party to which he belongs."

With regard to the internal problems that have arisen in the Liberal Party, he simply said that they are solely the internal affairs of each party. He did, however, describe such developments as "regrettable."

In conclusion, he stated that he had not received any communication regarding his retirement as a general and that none of his comrades-in-arms had been notified to that effect either.

'LA PRENSA' on Chinchilla's Remarks

San Pedro Sula LA PRENSA in Spanish 12 Jun 80 p 7

[Editorial: "The Challenge of Violence"]

[Text] Questioned by newsmen at the inauguration of a public works project in Tegucigalpa, Gen Mario Chinchilla, the Armed Forces chief of staff, asserted that the country's authorities are prepared to squelch any outbreak of anarchy that might arise in the country.

In point of fact, as quoted in LA PRENSA's article of 11 June 1980, the ranking officer indicated that "living conditions in our country are not the same as those prevailing in our neighbors," when asked for the army's opinion of the wave of violence jolting Central America and its repercussions on Honduras.

"Each country," he added, "has its own internal problems stemming from the situation in which it finds itself, but that climate will not reach our country because we are on the lookout to combat them."

Furthermore, the general described the results of the 20 April elections as "satisfactory," adding: "The most important thing is that the military has kept its promise to hold elections and guarantee the electoral process."

He also contended that the "air prevailing in Honduras" is due to the Armed Forces' assertion that "the people had the chance to vote for the candidate of their choice and for the party to which he belongs."

As in all statements, there are nuances that ought to be examined and observations that must be made, in order to highlight its methodic features and to weigh those that reflect a point of view rather than an exact and objective description of reality.

First of all, the elections were undeniably free and open, which greatly enhances the prestige of the Armed Forces and has raised to respectable levels Honduras's domestic and international image.

However, the assertion that violence will not reach us is an expression of a legitimate desire and an absolute certainty.

This is because a germ of violence already exists. We have seen it in the recent crime wave and it is also reflected in the tragic living conditions that most of our people must tolerate.

We have gotten used to the idea that violence exists only where bombs, guns or crimes replace dialog and free elections.

Nevertheless, there is also violence, and quite a bit of it, in the towns that lack the most elementary of public services and whose children die because there are no drugs to combat a gastrointestinal infection.

How many rural Honduran babies will die of malnutrition before their first birthday?

No one knows exactly, but we do know that many of them, perhaps thousands, will.

There is no under-nutrition, stunted, lack of mental development, poverty, illness.

Therefore, when we look that General Chiriquier says that "we are on the lookout to combat them," referring to the problems besetting children and ill children, we would like to believe that he is talking about the sickness and associated illnesses that are on top of battle the major ill affecting Honduran society.

Because although it is true that those who preach hatred, war, the class struggle and revolution have a great deal to do with the blaze that is a dark part of Central America at the moment, it is no less true that authorities have found an appropriate climate in the pathetic conditions of oppression, extreme poverty and disenfranchisement that our people are forced to live in.

This does not, of course, mean that we must attack social, political, cultural and economic problems to the exclusion of security matters.

We would be ignoring the real and indisputable fact that although the Pan is one of the most prosperous countries in the world and although its people live very well, terrorist groups such as the ill-famed Barrios Unidos Gang and other similar gangs have sprung up nonetheless.

So, we also have to pay attention to the police and military front, but while avoiding the extremely serious mistake of believing that repression can replace the struggle for social progress.

Both fronts, the sociopolitical and the military, must be attended to with equal zeal, with a simultaneous struggle against poverty and extremist infiltration.

Only in this way will we see to it that our people live in well-being, justice and safety and only in this way will we be able to assert that the declared violence that is decimating Central America will be kept far from our shores.

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UNITA ARGENTINEA SCORES PINO-LIBERAL 'ALLIANCE'

San Pedro de Atacama (LA PRENSA in Spanish) 15 Aug 68 p. 2.

[Text] Torguigalpa--Ricardo Jorjaga Argentinian told LA PRENSA yesterday that he had no doubt concerning the alliance formed by the Liberal Party and the PINO [Innovation and Unity Party] against the National Party.

The statement was made by the head of the Nationalist legislative group yesterday on the occasion of the selection of the attorney general and deputy attorney general of the republic, positions which were assigned to the attorney general, Santiago Hernandez Castellanos and Rafael Rivera Torres, respectively. Both of them are members of the Liberal Party.

The "Union" leader added: "We have no doubt about that alliance, and of course it is working perfectly today. But we consider attorney Hernandez Castellanos to be a splendid professional, for whom we all voted, in recognition of his ability."

LIBERALS ARE NOT INDULGENT

Jorjaga Argentinian deplored: "The lack of gentlemanliness of the liberals, in failing to abide by a pact concluded with the National Party to have the positions of deputy comptroller and attorney general of the republic filled by members of the National Party."

The Nationalist leader remarked that his party did not feel that it was discriminated against in the elections for the Constituent Assembly, but added that, "In the last election the Liberal Party did not keep its promise. It will be the people who will be called upon to judge such actions."

We Shall Not Withdraw

The head of the Nationalist legislative group said that, notwithstanding the party would uphold everything of benefit to the people, adding that, during the period that is approaching for electing the constitutionally, there can be no subject of discussion over anything.

He also commented: "During this critical period, we must all remain with the party and not divide, and think only of the interests of the nation."

He added that the Nationalist Party would not withdraw from the National Constituent Assembly, "because we are under obligation to carry out the assignment that was given to us."

FINU INVITES MARITIME DESCRIBING PARTY STANCE

Immigration to THOMISTA by Spanish 10 Aug 80 pp 1, 2

[Trans] The Innovation and Unity Party (PINU), through its leadership entities and constituent representatives, attempting, as has been its constant standard of behavior, to interpret the desires of the vast majority and to safeguard the interests of the Honduran nation, publicly stated the reasons which have prompted its conduct as an institution of public law during the period of time from the elections of 20 April of last year to the present.

Innovation and Unity hailed the mass-scale vote on 20 April as a victory for the Honduran people's pacifist and democratic civic intentions. At the same time, we hailed the victory of the Honduran people in bringing success for the PINU principle that the constitutional government of the republic should be created by a direct, secret and popular voting. Innovation and Unity was the only national political organization which clearly expressed this desire both before and after the election date.

Also, on a date preceding the elections, we voiced our intention of striving to have the provisional government that was to be organized made up of a broad representation of the parties, and with a program of minimal objectives which were drawn up and executed collectively.

This program would be required to seek the stability and peace of the nation from the threefold political, socioeconomic and cultural standpoint.

In response to the invitation tendered by the then chief of the Military Junta of Government and the Armed Forces, Gen Policarpo Paz Garcia, Innovation and Unity took part in talks, initially with a delegation from the Armed Forces, and subsequently with the inclusion of representatives from the Liberal and National Parties.

The purpose of these talks was the establishment of the provisional government, the main goal of which would be to organize, guarantee and hold new elections, so as to provide Honduras with a strong constitutional government enjoying broad popular support. In these talks, the PINU reiterated its stance and forth before the elections, emphasizing the need for a program

the United States in the American Revolution, as well as the transfer of power to Congress from the Continental Congress and the Continental Congress.

Important speeches also stated that this party was a rival to the party in Honduras to build a strong, professional and prestigious Army, which would serve as a guarantee in the representative, republican, democratic system. In addition, it took the necessary for renounce support from the Armed Forces for the provisional government. In order to the formation of the provisional government was a requirement, the PINU voiced its determination not to accept administrative posts for its members, suggesting that, for this purpose, the quality of the candidates should be taken into consideration, as well as the quality of integrity and ability possessed by those appointed.

The program over the government program as a priority was not shared by the representatives of the other two parties, who stressed proportionate formation of the cabinet and other considerations.

The PINU then decided to withdraw its representatives from the talks in question. Since that date to date of this year, the PINU has not taken part in talks regarding the provisional cabinet, for the reasons given. The PINU's lack of interest in participating in the formation of the cabinet stems from its desire to interpret the wishes of its rank and file to have a consistent political instrument that is completely independent and a faithful guardian of the national sovereignty. However, we want to put on record the fact that this stance from the executive body does not represent a systematic opposition to it, but rather a consistent, sincere and patriotic critical position. We also believe that a proportionate distribution of the public administration between the Liberal and National Parties entails the assumption of responsibility for it.

The consistent representation, consisting of authentic representation of the entire nation, it has been, is now and will continue trying to give an example of what popular representation should be, with a commitment other than the one based primarily on the defense of the interests of the majority of the population and nation of Honduras. This commitment is total, absolute and exclusive, and hence not subject to changes of any kind. In accordance with what has been said, the PINU will discuss with the social organizations both its party constitution, an endeavor in which it has been engaged, and the program to be submitted subsequently.

The PINU supports the 1,000 members of our organization, who have the right to elect a body to be transformed before and after the election for 1955-1956. The PINU is the only party in the country, where there have never been elections, that is, the only party in the country that has the right to elect a body to be transformed before and after the election for 1955-1956.

innovation and unity that we need to be on speed to immediately determined to achieve to give our Honduran people, as quickly as possible, a constitutional referendum decided by direct, secret vote, which will make the changes that will lead us to peace and liberty, to the fulfillment of our national destiny, avoiding the violence with which have been our neighbors.

This can only be accomplished by giving up petty interests and practicing a new political morality, as Innovation and Unity has wanted, and still wants to achieve.

This new political morality is not completely unprecedented, if we look back at leading personalities in our history, such as Cabanas and Morazan.

Our new political reality is not one that Innovation and Unity is seeking to impose exclusively, but rather one that it wishes to seek together with other moderates, in other parties and other organizations.

This concept forces us to view with concern the gap which some are attempting to create between the provisional executive body and the National Constituent Assembly, and the conflict which some wish to establish between civilians and the military.

Such conflicts benefit only the enemies of democracy, at both extremes, who should have been totally defeated on 20 April. We must eliminate this anti-system, which has been artificially created through struggle. Such confrontation will not result in any winners, but rather just one loser: democracy.

In previous occasions in its history, Honduras has managed to propose solutions, change structures and recover lost dialog. It did so with Manuel Amador and Ramon Rosa during the last century. It did so in this century, with the first presidency of Carlos Andino, and with the second republic of Francisco Morales.

And it can do so now, with a short provisional government which is honest and not repressive, but strong. The great task of building a new Honduras for our children, which at the same time will be a model of democratic change for Central America, cannot tolerate any conflict or antagonism other than that between backwardness and progress, and between integrity and corruption. The corruption, which unquestionably exists, is annoying to the masses, detrimental to our image abroad and suicide for the system. As a part of the practice of these principles of austerity and honesty in public administration, the FINE has already established standards in the National Constituent Assembly, through its representatives in that august chamber, giving the not only economic backing, but also political and moral backing for the PRUE of the Attorney General of the Republic, so that it may effectively discharge the duties of the public ministry.

With social justice and the battle against corruption, the only sure detour to violence, are in urgent need of this new political morality which Innovation and Unity desires.

For the sake of this new political morality, the PINI is now collaborating in the governmental government. For the sake of this political morality, the PINI does not want the Army to be used as a tool in the pursuit of any ideal.

Acting in behalf of this ethical concept, the PINI has voted in the constitutional Assembly with the sole intention of representing, not only its members, but also the other thousands of Hondurans who went to the polls on 20 April, supporting their leaders in civic conscience, good sense and a spirit of constructive change.

Hondurans are represented in that assembly, which certain sectors have attempted to discredit: our victims and victims, our backwardness and our desire for progress, our glory and our misery.

Consequently, the people should follow closely what happens in it, and the press should provide full reports on what is being discussed, in an objective and disinterested fashion. There, just as in the Army, the political parties, the trade unions or the farmers' organizations, the people will have an opportunity to follow the logical construction to know individuals by their works, just as one knows a tree by its fruit.

If we Hondurans believe this, let us act in this way, with an intention for change, with respect to our victory and convinced that authority is only a way of serving. Serving will destroy the power; nothing will deter the progress. And, after a necessarily brief provisional government, with moral, concrete purposes, in 1981 we shall return to the polls to accomplish what is so urgently needed: the change for peace and liberty.

The path is open; we must not lose sight of it.

Tegucigalpa, D.R., 18 August 1980.

GENERAL SECRETARY OF DEFENSE OF THE ARMY.

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MEXICO

SELECTED EVENTS IN 'TUNA WAR' DESCRIBED

Firm But Calm Attitude

MEXICO CITY 16 JUL 60 (AP) -- Mexico City, 16 Jul 60 (AP) -- A. 13 A

[Article by special correspondent Isabel Arvide]

[Text] Tlacotalia, Oaxaca, 16 Jul (OEM)--"We will act firmly but calmly," President Lopez-Portillo said here in analyzing tuna and squid fishing problems, pointing out that "we will assert our rights," even by going before the United Nations.

Nevertheless, the chief executive, speaking with the same calm that he has asked of Mexican officials in dealing with the problem, asserted that he did not think that we would have to bring the matter before international organizations, because "I hope that reason prevails."

The chief executive was interviewed during his working tour of the state of Oaxaca. In answer to a question about Mexico's stand on the Cuban boats that are also invading our patrimonial waters, he stated specifically: "where the same grounds exist, there should be the same response."

The Mexican president stressed: "I have given instructions both to Foreign Relations, Fishing and Navy authorities to act calmly, to deal with things firmly but calmly," inasmuch as these were incidents in a lengthy struggle to resolve the problem of developing resources.

He then stated: "what we want is to grow, and this is a basic foodstuff for the people of Mexico; this is a food resource that we have borne in mind for the Mexican diet. We decided to expand our fleet, and we have done so and will continue to do so."

The president was specific in his analysis of the problem when he noted that we must not forget that this is an incident that is part of an adjustment process which began with the tropical tuna agreement, which set catch quotas in accordance with catch capacity.

"This was a totally unfair system, because the United States had the Salvat Tuna, and we had a small one. This should be to our growth. Therefore, together with other Central American countries, including Costa Rica, we withdrew from the agreement," the president said.

"What fundamentally matters to me, of course, is respect for the principles of law by which we abide, but the fish should not be depleted either," our chief executive said, something that Mexico has made efforts, "and we will continue to do so," to have this agreement replaced with another. All of these efforts at a compromise, at resolving the conflict in a reasonable manner should have our basic goal in mind in that the species are not depleted.

Interviewed after he inaugurated 1.5 billion peso projects in Oaxaca, he explained to reporters that at the moment, without the agreements, Mexico is in the worst of situations. "They are invading our jurisdiction as they see fit, and we retire our rights. What is happening here is that if we concentrate a major, disorderly fishing capacity in this area, we are going to kill the goose, at the time, that laid the golden egg. We are going to finish off the species. The reasonable thing is for us to regulate the catch, and that is what we are doing."

Furthermore, expanding on his statements, the chief executive stated that in reality the legal problem is that this species is one of the so-called migratory species, and the argument rationally is that it does not belong to just the coastal nation.

"For this reason," he stated, "we have to establish an agreement, but in the absence of an agreement, we have to defend our jurisdiction, by any other way, since they do not accept the conditions that we are setting, there is no agreement, and thus we are in a legal vacuum, which is not at all advisable in this day and age."

The president pointed out in conclusion that of course "we are defending our rights very firmly, because we do have these rights and in the event that other principles are violated, we will assert our rights through the procedural systems that international law itself provides for."

Separately, during his more than 7-hour tour through the state the chief executive incorporated the Bitta-Zacatepec Highway, a Mexican-owned highway built by IMTSA-CONOPLAMAR, located in the middle of the Oaxaca-Victoria Madre Range, the graphite plant located near the town of San Francisco Velistlanmacha, a housing complex in the capital of Oaxaca and (symbolically) several other projects in the state. He also presided over a working meeting at which CONOCY and INOCY were invited to the Department of the Rural Communities and Low-Cost Housing roads were handed over.

Mexico City 11. 004 10 MEXICO IN Spanish 17 Jul 60 10:15A, 10-A

(Article by Roberto Aguilar)

[That]. "Neither will, nor trade nor the illegal aliens should be tied in" with the tuna problem, the U.S. ambassador to Mexico, Dr Julian Nava, said yesterday. He also maintained that "warlike language" should not be used either, because the two nations are interested in a solution, not in creating new problems.

He pointed out that an immediate solution to the problem could be a bilateral agreement between Mexico and the United States, inasmuch as an international solution is a very long-term matter, and the U.S. embargo of Mexican tuna purchases could not be prolonged indefinitely because it would entail very serious consequences for both countries.

"A long-term solution, he said, would be for Mexico to rejoin CIAL [Inter American Tropical Tuna Commission] or a new organization that would regulate everything to do with migratory species such as tuna and in which all interested nations would participate.

He pointed out that the tuna problem is just a small part of very serious and fruitful relations in many fields, and "it would be odd for intelligent people to deal with the situation by involving unrelated matters. He categorically denied that the U.S. embargo is a "reprisal" against Mexico.

The ambassador took up the so-called "tuna war" problem at a press conference yesterday that lasted exactly 45 minutes.

He noted that the situation "cannot be described either as a war or as a conflict" between the governments of the United States and Mexico.

"The United States does not doubt that Mexico acted within its rights; since its government has the responsibility and the right to enforce its laws and the president's decrees. Mexico acted totally within its rights."

He added, however, "The United States will intend to apply the laws of its own Congress, which call for an embargo of the product in question." He then added, with a smile: "Now we are at a stalemate," and the negotiations will have to be continued to reach a settlement.

He admitted that the present differences have caused friction in relations between the two countries, but he said that negotiation

in the July 2001 edition. Meanwhile, Mexico is increasingly interested in looking for the sea for new food resources.

Regarding the United States' position toward our country, Ambassador Bono asserted that Washington should give more consideration to Mexico, "with respect, friendship and equal treatment for the benefit of both countries' interests."

He said that he was certain that there would be a solution as long as warlike language is not used to deal with a problem that he described as "a difference of opinion on technical matters."

"Today it is no longer a question of ideology or sovereignty; it is simply a technical question," he repeated.

He explained that the United States recognizes Mexico's right to its 200-mile exclusive economic zone and that the only difference is with regard to tuna, because it is regarded as a migratory species, and the U.S. stand is radically different from Mexico's.

"The tuna is a wandering species; it has no home country, and it can just as well be within the 200 miles as in the middle of the Pacific," the ambassador said.

"The problem is to determine whether these rights also extend to migratory species," he stressed.

With regard to the ships that have been seized, he noted that they would have to pay the fines that Mexico has set. He commented, however, that there is some confusion at the moment "because three boats did have the required authorization."

He emphasized once again: "It is not a question of a conflict between governments. The U.S. administration was, however, forced to defend the rights of citizens because that is what its laws stipulate."

With regard to the ban on squid fishing imposed on Mexican vessels, he explained that before the "tuna affair" his country had issued a warning with regard to the fishing quotas so that this species would not be depleted, and this was the reason for the American decision.

He then emphasized: "The United States cannot dictate anything to Mexico in any field, but the United States has its domestic laws too."

He then concluded: "Instead of seeing this situation as a conflict, we should see it in its domestic context, the positive side of it, and not fix on anything unrelated to the tuna problem."

Ambassador Nava's Stand

MEXICO CITY EXCLUSIVE in Spanish 22 Jul 1976-A, 21A

(AFL) by Mr. Martin J. [unclear] [unclear]

[Text] Unfortunately, the color of Mr Julian Nava's skin does not make him a Mexican or a chi, and so even a lacker of our people's interests did stand at last Wednesday's press conference was openly and stupidly representative of his true interests.

Those who naively thought that the ambassador's dark skin might make him somewhat different from Robert C. Hill, Fulton Freeman, Joseph John Nava, Patrick Lucey or Poinsett from last century, can see today that they were wrong.

Mr Nava is just an ambassador, not a mediator. Interests are interests, and in the old Dulles style, the United States has no friends. The embargo on Mexican tuna will be open ended, and the United States will apply drastic measures in the future as a reprisal for Mexico's actions in defense of its patrimonial waters.

We have to contradict Ambassador Nava. This is not a "technical matter," as he says; it is a basic conflict between two countries. What the United States is really questioning is Mexico's sovereignty over its 200-mile patrimonial sea.

The United States was always against recognizing Mexico's and other countries' patrimonial waters. Several years ago, when our country unilaterally declared its sovereignty over the 200-mile patrimonial sea, it safeguarded for present and future generations an enormous nutritional and mineral storehouse, while declaring the beautiful and beautiful Gulf of California an interior sea.

Mexico's stand was in keeping with a full-fledged worldwide movement among a majority of its members, and thus in 1974 the U.S. Government itself also declared sovereignty over its 200-mile patrimonial waters.

Our patrimonial waters certainly contain tuna, shrimp, whales and hundreds of other commercially valuable living species, but they also contain oil. The latest struggle starting today with the Mexican Navy's seizure of U.S. pirate vessels and the U.S. embargo on Mexican tuna exports, as well as the expulsion of fishing boats with permits for American patrimonial waters, could be just the beginning of a further struggle over the ownership of Mexico's waters.

Are (Wetland) Tuna?

Therefore, when he says that tuna and oil should not be tied together because they are different issues, he is in error. Both questions concern aspects of the same problem. For example, if he repeatedly will be taken in many areas: trade, finance, international credit, the benefits.

Mexican oil relations are complex, which is affected when there is a change in any of its parts. President Lopez Portillo understood this when on the eve of his latest trip to Washington he indicated that the talks would be conducted "as a package." Of course they were going to talk about oil exports, but they were also going to discuss bananas, vegetables and technology; the Mexican president said on both occasions.

That the key national public opinion was surprised by the PEMEX (Mexican Petroleum) director's statement that the tuna embargo would not affect oil sales. Public reaction led PEMEX to rectify this stand a few days later. It could not be otherwise, because PEMEX cannot and should not control Mexican foreign policy.

The proper approach is unquestionably the one President Lopez-Portillo has outlined out "... within the framework of international law, we

will carry things to their ultimate consequences..." The chief executive then mentioned the possibility of eventually bringing the matter before the UN. Meanwhile, the president also said, "we will act firmly."

But neither could we remove self-defense with any means at our disposal, even oil, especially since now in the United States there is unfortunately not a president but a candidate who seeks to win the "black" vote by taking a tough line with Mexico, a country that has shown us correct friendship and cooperation and has sent him oil and we for the world.

'Tuna War' Settled Amicably

Mexico City 21 May 78 MEXICO IN SPANISH 2 Aug 80 pp 1-A, 7-A

(A) (C) by the Author for Aquino

(P) (S) Mexico is authorizing U.S. vessels to fish for tuna and scallop off its coast inside the country's 200-mile patrimonial waters.

The agreement issued by the Department of Fishing authorities is different from any one made public at the beginning of this week, which permitted to American vessels to catch tuna within our 12-mile territorial waters.

In revealing this to EL SOL DE MEXICO, Department of Fishing officials disclosed that for the moment permits to fish inside the 200-mile patrimonial waters were given to two Korean boats and one American vessel.

Nevertheless, they added, additional requests from American boats are under study, and there is a very good chance that they will be approved. Therefore, it was regarded as certain that over the next few weeks there would be more and more foreign vessels fishing in our patrimonial waters.

Fishing Department officials reported that the authorizations issued at the beginning of this week to 76 American boats to operate off the western coast of Baja California Peninsula come under bilateral agreements signed with the authorities of our neighbor to the north.

These permits are exclusively for operations within the 12-mile territorial sea, and any vessel overstepping the limit will be sanctioned.

In signing these agreements, Mexico recognized the "seniority rights" of U.S. fishermen who have been fishing in the area for several years and who were affected when Mexico established its jurisdiction over 200 miles of patrimonial sea.

With regard to the other authorization made public yesterday, this paper was told that it was in keeping with international laws under which countries not in a position to fully develop their fishing resources should issue permits so that other nations can utilize the surpluses.

In this case, the feeling is that it will not be until late 1982 that Mexico has a large enough tuna fleet to exploit this species, and only then will we proceed to displace the foreign vessels.

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MEXICO

SOVIETS OFFER TO DEVELOP COUNTRY AS 'BREADBASKET'

Also City EL SOL DE MEXICO in Spanish 14 Aug 80 pp 1-A, 10-A

[Article by Miguel Angel de Alba]

[Text] The Soviet Union has lent Mexico its expertise in the production of grains, since both governments intend to turn this country into the Soviet Union's main supplier of these products.

The Soviet ambassador to Mexico, Rostislav Aleksandrovich Sergeyev, asserted this at an impromptu press conference at the University Club.

He pointed out that the Soviet Union has had problems producing all of the grains that it requires and therefore has had to turn to the United States as its breadbasket, by buying close to 1,000 tons of grain for cattle feed.

Nevertheless, he commented, the White House decided to cut grain sales because of the Soviet invasion of Afghanistan, which forced the Kremlin to turn to other markets.

In reply to a question, he said that he did not feel that this move was designed to pressure Moscow into ratifying SALT II, inasmuch as Carter and Brezhnev agreed at a meeting a few months ago to do so shortly.

But the United States was not ready to ratify the treaty, and this is why the signing has been delayed.

Referring again to Mexico, he said that economic, cultural and political relations are developing nicely between the two countries, although trade relations are not as good as they could be. In this regard, we hope to boost trade by taking advantage of our economic possibilities.

Among others, he mentioned that we are looking at the possibility of joint investments in the manufacture of machinery. For the time being, we have an agreement with Siderurgica Nacional to manufacture about

1,000 tractors using parts imported from the Soviet Union. This figure can be increased if Mexico so wishes.

These tractors will be used to mechanize Mexican farming, which is experimenting with new technologies, some of them brought over by Soviet scientists. These technologies will increase our harvests, of grains in particular, considerably.

He explained that his country has wideranging experience in this field, since its annual output totals 200 million tons. It has currently had to import about 1,000 tons for cattle feed.

He realistically anticipate, he said, that Mexico could be able to export those grains to us, thus eliminating our dependence on the White House.

With regard to the U.S. election, Aleksandrovich Sergeyev asserted that "we want stable relations with that country, independently of any presidential candidate. I cannot voice an opinion on the one or the other because that would be meddling in that nation's internal affairs."

He was then asked about the Olympic Games and the disqualification of several Mexican athletes. His reply was that "we have to look at things objectively. This was an international event at which the judges were not locals. They were international judges who certified 110 new records (74 Olympic records and 36 world records). There was nothing against Mexican athletes, inasmuch as none of them was disqualified by Soviet judges."

In conclusion, he stated that his country agrees with President Lopez Portillo's stand that no hegemony should come before the sovereignty of nations, whether they are socialist or capitalist.

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CSO/ 3010

CASH IN CIRCULATION INCREASES, 'DOLLARIZATION' DOWN

Mexico City EL SOL DE MEXICO 16 Aug 80 pp 1-A, 15-A

[Article by Fernán Vazquez Legaria]

[Text] Cash in circulation recorded an average increase of 32.7 percent in July. According to the latest statistical report of the Bank of Mexico, the circulating medium increased by 1.2 billion pesos up to last July, a rise of 4.1 percent, whereas over the same period last year the increase was 13.9 billion, a rate of 5.4 percent.

The Bank of Mexico underscored the slackening in the trend towards "dollarization" and asserted that bank deposits rose in 1 year by 235.2 billion pesos, which enabled private and state-private banks to boost lending to 134.5 billion pesos, a significant increase over last year. In July alone, the report states, the rise was 11.2 billion pesos. Moreover, these loans translate into a strong investment boost for the production activities of the industrial and agricultural sectors in particular.

The Central Bank added that thus the rate of increase in circulating medium last July, 32.7 percent, was similar to the rise in July 1979.

The bank stressed that additional deposits in domestic currency continued their upward trend so far this year, "which has brought about a decline in the dollarization" of bank deposits from the same period last year.

Furthermore, the funds from instruments denominated in foreign currencies, especially dollars, rose by only 900 million pesos in July, as compared to 7.1 billion in July 1979.

Thus, the share of domestic currency funds in total additional bank deposits was 88.5 percent from 31 December 1979 to 31 July 1980, as compared to 78 percent over the same period last year.

Total lending by private and state-private banks to nonbanking sectors amounted to 11.2 billion pesos in July alone, a 14.1 percent rise in national currency loans and a 2.9 percent drop in foreign currency loans.

MEXICO

COLUMNIST DISCUSSES FUTURE OF PESO

Mexico City EL DIA in Spanish 7 Aug 80 p 4

[Article by Martin Luis Guaman Ferrer]

[Text] A recent television program was turned into a vehicle for explaining why the peso was stable and, at the same time, for justifying the so-called "undevaluations." The program, of course, was an interview with the director of the Bank of Mexico, Gustavo Romero Kolbeck.

His arguments were sound in justifying why it is wholly unlikely that there will a devaluation or a "sudden adjustment" in the exchange rate. This assessment is based on the bank's economic forecasts, and all indications are that the economic situation is reasonably good. If the economy is doing fine, except for inflation, the value of the peso is quite secure.

In the first place, the national product grew by eight percent in 1979 and it will likely increase at the same pace this year. Secondly, our balance of payments is tending towards the black on its trade account, perhaps for the first time in the country's history. In other words, the country is tending to sell more overseas, to export, than to purchase more overseas, to import. Also, Romero Kolbeck said, revenue from overseas oil sales are expected to reach \$12 billion this year alone. We can see from these three reasons why the value of the peso is quite secure.

Furthermore, fourthly, the domestic demand for dollars, the so-called "dollarization," has been dropping sharply in the last few months. Whereas in April the rate was high (the Bank of Mexico estimates that it hit between 30 and 40 percent of bank deposits), it was negative in July. In other words, total bank deposits could be calculated only in pesos, because dollars were being converted into pesos. We can thus conclude that the monetary policy of high interest rates for peso deposits and low interest rates for dollar deposits has been highly beneficial to the nation. This upshot, incidentally, shatters the myth that we have to keep dollar interest rates higher here than

abroad. The mechanism for boosting bank deposits in pesos has been simple and effective. One-year interest rates in pesos, for example, are around 20 percent, whereas in London or New York, for instance, only 9 to 11 percent interest is paid. It will thus be very costly for a person to speculate against the peso and against the country. Our monetary policy has not only halted the dollarization trend but it has also brought annual bank deposits up to the very respectable figure (in both relative and absolute terms) of 900 billion pesos in round numbers.

Lastly, the director of the Bank of Mexico explained quite rightly that it is very hard for speculators, for those who want to sell their country down the river, to beat down the value of the peso. Speculation can be easily halted, in contrast to what happened in 1976, inasmuch as petroleum revenue is around \$12 billion, the country's international reserves have been rising appreciably, and not only do we not owe anything to the International Monetary Fund, but there is almost \$55 million in Mexico's favor there. Specifically, the National Banking Convention disclosed that primary reserves (foreign exchange and precious metals) total close to \$3.55 billion and that secondary reserves (agreements with foreign countries or with the IMF to support the peso) amount to some \$2.66 billion. In other words, the country has more than \$6 billion dollars in its favor, and therefore the value of the peso is solid.

All this having been said, and it is obviously true, we still have to explain the importance of the peso minidevaluations in recent months. In point of fact, over the last 6 months the peso has lost 0.08 percent of its value, "just a few centavos," in Romero Kolbeck's words. The exchange rate was 22.87 to the dollar in late 1979, whereas it now stands at 23.09, more or less.

According to the Bank of Mexico, the explanation for this development is basically twofold. On the one hand, it is due to "seasonal fluctuations" in the demand for foreign currency, and on the other, it is part of a monetary policy that has broken with the fixed exchange rate, in other words, the taboo against devaluing the currency. As far as the first explanation is concerned, in the short run and as long as activity is light, when the demand for dollars increases, its price rises slightly, in accordance "with the behavior of the market." As far as the second is concerned, the country has, as we know, adopted a fluctuating or floating exchange rate. In other words, the exchange rate, the value of the peso, must not be inelastic or fixed; it must be commensurate to its real or purchasing power. A person might or might not be in agreement with this mechanism, which is now used throughout the world in capitalist countries, but it is a reality in the international system. Nevertheless, a devaluation of the peso is unlikely under the aforementioned circumstances, not

only on account of what we have pointed out, but also because, as Romero Kolbeck says, if there were serious speculation above and beyond what is seasonal, the Bank of Mexico could intervene with the sizable resources that it has available to maintain the peso's value.

The enduring concern for the peso is inflation. The director of the Bank of Mexico conceded that as of July it was already 15.2 percent. He went on to say that in accordance with general economic policy, the important thing for the country, the priority, was to grow. In other words, we have to provide full employment to around 10 million people, to defend their incomes (with union rights and opportunities) and then ward off inflation. Romero Kolbeck is, in fact, quite right about all this, although he did not take the opportunity to explain what anti-inflation policy the bank is pursuing, because it surely must have one.

One of the few questions that was not served up to him on a silver platter (a poor technique because in order to be convincing, honesty is the best policy) criticized the fact that banks are allowed to pay a piddling 4.5 percent interest on savings accounts. Romero Kolbeck's explanation for this (which had to do with efficient banking practices, not ethics) was far from convincing. He said that of the 29 million persons who have bank accounts, 19 million "prefer" savings accounts. No one, he emphasized, is forcing these people to save their money this way, to malinvest it, one would say. In other words, if people are ignorant and lose money, we have to allow these low-income earners, who are the ones who save this way, to keep making their mistake, because this is not the Bank of Mexico's "responsibility." If inflation is hovering around 25 percent a year, and only 4.5 percent interest is paid on these savings, well that's too bad for those fools. One cannot agree with this "logic." He should have rather said that many of these people are forced to invest their scant, hard-earned savings this way because they cannot come up with the 10,000 peso minimum to open a securities time deposit account. We should also recall that the argument of private banks for not paying higher interest rates on savings accounts is that it costs them a great deal to "manage them." The director of the Bank of Mexico also said that these accounts offered the "appeal" of being almost "at sight"; in other words, the money is readily available. This is not at all convincing because there are virtually liquid securities accounts from which withdrawals can be made up to twice a week. If the Bank of Mexico reduced the 10,000 peso limit and educated low-income earners as to the proper use of securities time deposit accounts, no one would invest their money at 4.5 percent interest. Of course the best thing would be to eliminate those savings accounts and to stop playing along with the banks.

MEXICO

INFLATION HITS 32.6 PERCENT PACE

Mexico City EL SOL DE MEXICO in Spanish 16 Aug 80 pp 1-A, 13-A

[Article by Miguel Angel de Alba]

[Text] If the rise in prices continues at its present pace, inflation will hit 32.6 percent by year end, according to the statistics furnished by the Bank of Mexico, Alfonso Reyes Medrano, the economic adviser of the Confederation of Mexican Workers (CTM), asserted yesterday.

He explained that last month alone the consumer price index rose by 1 percent, bringing the index to 4.1 percent.

Reyes Medrano stressed that the disproportionate rise in prices is due mainly to speculation and to the impact of price increases for generic items which, like sugar, are used as raw materials in addition to being earmarked for mass consumption.

Reyes Medrano pointed out that the above indices are not expected to decline, basing his assertion on the fact that price increases are traditionally the steepest during the final months of the year.

General, professional and rural minimum wages will be more difficult to set the next time because of this high inflation rate.

He said that the CTM would insist that the minimum wages be set after taking into account the regional studies by the unions, which accurately portray the socioeconomic situation of the populace.

He commented in conclusion that the CTM would again fight to have the economic zones for wage purposes reduced further.

8743

CSO: 3010

MEXICO

HEAVY INVESTMENT IN STEEL PLANNED FOR DECADE

Mexico City EL SOL DE MEXICO in Spanish 19 Aug 80 pp 1-A, 10-A

[Article by Silvestre Gonzalez Arenas]

[Text] The second stage of the Lazaro Cardenas-Las Truchas Iron and Steel Complex is now under construction; it will boost production capacity to 3 million tons a year.

According to data from stock market analysts, Mexico's "three major" steel mills are planning sizable investments for this year. SIDERMEX [Mexican Iron and Steel Enterprise] (Steel Mills of Mexico, Inc), Fundidora de Monterrey, and the Lazaro Cardenas-Las Truchas Iron and Steel) will invest almost 70 billion pesos, 64 billion in its Michoacan plant and some 23 billion in Steel Mills of Mexico [sic].

Mexico's iron and steel companies, both government-controlled and private, intend to boost steel output by 11.5 percent a year and reach an annual production of 19.7 million tons this decade.

"In order to achieve this objective, the industry will spend 551.833 billion pesos over the next 10 years, and everything indicates that these billions will be invested," noted the group of analysts from the Allen W. Lloyd and Associates stock market concern in their monthly economic report.

Mexico's three main iron and steel plants (the government-controlled consortium SIDERMEX, HYSLA and (TAMSA) will invest around 89.436 billion pesos this year.

The objectives of the Mexican steelworks are contained in the National Iron and Steel Development Plan, which calls for an increase in output from 7.5 million tons in 1980 to 19.7 million tons in 1990, with an operating capacity of 21 million tons.

HYSLA, which belongs to the steel division of the Alfa Industrial Group, is investing about 17 billion pesos.

Pre-Reducidos de Mexico (PREMEXA) is investing another 2.45 billion pesos, and the Mexican-Swiss joint investment enterprise Acerlan is investing about 320 million pesos.

The HYSLA program, which is the largest ever undertaken by a private firm, is designed to boost its production of hot-rolled and cold-rolled steel and galvanized steel; it will also produce specialty steels.

8743

CSO: 3010

MEXICO

RIO ESCONDIDO COAL RESERVES BEING DEVELOPED

Mexico City EL SOL DE MEXICO in Spanish 15 Aug 80 pp 1-B, 2-B

[Article by special correspondent Roberto Noriega]

[Text] Piedras Negras, Coahuila, 14 Aug (OEM--Via Telex)--The Rio Escondido deposits will supply the country with 4½ million tons a year of noncoking coal, 70 percent of current coal output. This will be used to fuel the coal-fired powerplant being built there.

In addition, further exploration is in the works which, if successful, would enable another 6 million kilowatts of power-generating capacity to be installed in the northern part of the country. The plant under construction will have a capacity of 1.2 million kilowatts.

This was reported to President Lopez Portillo at the start of his swing through Coahuila today, during which he also inaugurated the Resortes Helicoidales de Rassino Rheem Enterprise. He was told there that the plant would produce enough automotive springs not only to meet domestic demand but also to make Mexico an exporter of this item. The company is associated with SIDERMEX [Mexican Iron and Steel Enterprise].

As far as the production of noncoking coal is concerned, the director of the Rio Escondido coal mine, engineer Fernando Espinosa Velasco, told the chief executive at the entrance to one the company's underground mines that it began extracting coal on 28 July, 3 years after it was established. The thermoelectric powerplant will require 112 million tons of coal over its useful life of 30 years.

Forty international biddings were held in 1 year, Espinosa reported, for the purchase, with IDB funds, of the equipment needed to begin developing the deposits and for other short-, medium- and long-term goals.

The programs that the enterprise has under way and that it has scheduled for the future are important because in accordance with the Federal Government's plans to diversify the use of primary electricity-generating fuels, coal will account for 15 percent (equivalent to total

domestic output in 1980); this will entail the construction of six coal-fired complexes similar to the one that President Lopez Portillo visited today.

Separately, at the spring manufacturing plant, where the president was met by a number of officials, including the director of SIDERMEX, Jorge Laypen Garay, and Rassino director Sergio Romero Roaro, he was told that the company would invest 112 million pesos in its initial stage.

The plant will produce 455,800 springs to replace the suspension springs in U.S.-made cars. This merchandise is valued at 32 million pesos and will be earmarked in its entirety for the American market.

The chief executive was told that in 1981 output will jump to 3,128,998 units, valued at 265.966 million pesos; 506,160 units valued at 72.6 million pesos will be for the domestic automotive industry.

The plant, on which construction began in November 1979 and which was completed in July of this year, has a 98 million peso investment planned for its second stage.

In inaugurating the plant, President Lopez Portillo symbolically sent off the first shipment of springs to one of its more than 10 clients.

President Lopez Portillo then traveled by helicopter to the town of Nava, after flying over the Los Tajos coal strip mine.

8743

CSO: 3010

MEXICO

ELECTRICITY COMMISSION TO INVEST 70 BILLION IN 1981

Mexico City EL DIA in Spanish 13 Aug 80 p 8

[Article by Sara Lovera]

[Text] The Federal Electricity Commission (CFE) will earmark 70 billion pesos in 1981 for investment programs to guarantee sufficient supplies of inexpensive electricity over the next decade, the director of the government-controlled enterprise, Alberto Escofet Artigas, said yesterday.

He spoke yesterday to Mexico City Rotarians and after pointing out that the program of electric power restrictions that was applied over the last 7 weeks was a success, he cautioned that given the complexity of the industry, the energy conservation measures would have to continue in the near-term future in nonproductive areas so that the crisis would not return.

As far as the investment program is concerned, he pointed out that a number of projects have been started and will go on line in 1981, thanks to a direct government subsidy of 17.5 billion pesos. A similar amount will come from service charges and specific subsidies, and 35 billion pesos will come from both domestic and outside financing.

Escofet gave the Rotarians, most of whom are businessmen, a brief summary of the activities of the CFE, noting that at present the industry provides electric power to 22,000 towns, which makes it the industry with the widest coverage in Mexico. It serves 9.2 million household and industrial consumers and in administrative terms it has to take care of something like 70 million meter readings, bills, receipts and collections a year.

In light of this, he said, it is to be expected that mistakes will be made, but he asserted that very few are.

Technically speaking, in order to provide service to almost all of the country's inhabitants, with the exception of 80,000 villages with fewer than 500 persons, it operates with 14 million kilowatts, generated by 500 electrical units. Only 70 of these units are modern (less than 10 years old), while 430 are older, and many date from last century.

He asserted that the interconnected system has been a major gain and that over the next decade the peninsulas of Baja California and Yucatan would be brought into this system.

With this system, conservation measures, necessary future rate changes and the planned growth of the industry, the CFE will be able to provide relatively good service for many years.

8743

CSO: 3010

MEXICO

TOPOLOBAMBO BEING DEVELOPED AS INDUSTRIAL PORT

Mexico City EL SOL DE MEXICO in Spanish 15 Aug 80 pp 1-F, 8-F

[Article by Carmen Aida]

[Text] Topolobambo (OEM)--Genaro Gallegos Orono, repeating what PEMEX [Mexican Petroleum] director Jorge Diaz Serrano said on his visit to Mazatlan on Navy Day, has asserted that Mexican gasoline is the most inexpensive in the world. Gallegos Orono is the resident construction engineer for the projects that PEMEX is investing about 1.3 billion pesos to build here by the hill known as Jabali. About 600 million pesos have been spent so far.

This naturally beautiful port has been given consideration countless times in construction projects, among them the much touted "Sea of Cortes Tourist Circuit," whose discoverer, Albert I. Owen, an engineer, saw it as having so much potential. Although it was not given any budgetary funds for many years, it is now getting two major allocations, one from PEMEX and the other, a 500 million peso investment, for the Las Gallinas de PROPEMEX Project.

This project includes a tuna freezing and processing plant, a sardine freezing and processing plant, a shrimp freezing unit, a fishmeal factory and a filleting plant.

The PEMEX investment is turning Jabali Hill, where only giant and other smaller cactuses have grown for thousands of years, into a deposit of ammonia, propane, fuel oil and distillates. Along with these plants, a multipurpose pipeline is being built from Los Mochis to Culiacan, as well as a pier with a 350-meter long viaduct that is now completed.

The pier alone, which will be for exclusive PEMEX use, costs 120 million pesos, and unlike all other piers built so far, it has metal, instead of concrete piles.

Multipurpose Pipeline to Be Completed This Year, Says 1981

Two years after construction work began, the 180 million peso multipurpose pipeline is about to be completed. From a pump house it will carry distillates a distance of 240 kilometers.

"This is a sizeable project for the area, and although products are not going to be produced here, they are going to be stored and distributed to consumers, thus guaranteeing supplies and preventing contamination," stressed Callegos Ornela. He added that the products will be coming from the Salina Cruz Refinery, that they are currently moved through the port of Guaymas in tanks and that with the plants being built here in Topolobampo, the Sinaloa area will be covered. "They will have supplies here and in Mazatlan."

Each of the ammonia and propane storage tanks are 25 meters high and 42 meters in diameter and can hold 20,000 tons. They still have their natural steel color but will soon be painted white with the green and yellow PEMEX stripes. The two fuel oil storage tanks have a 100,000 barrel capacity each (a barrel contains 159 liters), and at the foot of Jabali Hill there are two more tanks for diesel fuel that can hold 100,000 barrels each. In addition, there are the ammonia and propane handling tanks and a tower to burn off the wastes from the pump house, thus preventing pollution and leaks. The administrative offices and the almost completed housing for the technicians are located on the 52 hectares of level land that was expropriated from the "Rosendo G. Castro" Ejido.

Jormac S.A. (which is in charge of the fuel oil area) and Constructora General del Norte were given most of the contract: compressor, ammonia and propane plants, pier and tower. We were unable to gather more information about the pipeline because the offices, headed by Angel Benilla, are in Los Mochis. The reports are that it is scheduled to be completed in a year and a half, in other words, in late 1981.

The pier, at a spot known as Punta Ayon, faces out to sea. This is known as a finger-type wharf, like all of the installations for unloading and other maneuvers at this storage plant.

The work is 80 percent completed. The piping is being installed, the number two cluster of piles is being inserted; the mooring platform is going in; a 100-meter section of the viaduct is finished, with 250 meters left, and the walkways and the railing also have yet to be completed.

When all of the pier facilities are in place, deep-draft vessels will be able to enter the port, and as we have said, this wharf is not for

tourist purposes; it is strictly for commercial use and belongs exclusively to PEMEX. Remaining to be installed are two platforms and two clusters of piles (which are for mooring ships). A new feature of this pier is its metal piles. It has cathode shielding, which makes it resistant to the material that the piping is made of and prevents rust. Its mechanized equipment will be able to unload simultaneously two 25-ton vessels in 15 hours.

Problems To Cope With

The construction companies have found a port without services. "We have to go to Los Mochis to make our phone calls, because it's a hassle here, and the highway is another problem." So then, Topolobampo is being extended in one direction and contracted in another. It is indeed growing, with ties to Mazatlan and Guaymas, but it is growing like a little monster, over here yes, over there no.

Thanks to PEMEX and PROPENEX there are temporary job sources for workers, albeit without future prospects. These day laborers receive the minimum wage, are not paid for their seventh day but do have social security.

From far away you can see the storage tanks, some 25 meters high, others 15 meters high. Soon there will be no problem supplying fuel to Sinaloa. This will be one more factor spurring development there, which has not been harmonious, because we are still exporting raw materials since farmers are showing continued resistance to involvement in agroindustry.

The fuel problem will cease to be one. Therefore, there is no reason to delay the beginning of the industrial stage of this "progressive-minded" state.

8743

080: 3010

NICARAGUA

COMMANDER ARCE EXPLAINS NEEDED IMPROVEMENTS IN POLICE FORCE

Managua BARRICADA in Spanish 16 Aug 80 p 12

[Text] Revolutionary Commander Bayardo Arce Castano charged that some elements are attempting to make political use of the weaknesses of the Sandinista police force in order to blacken the image of the police.

This strong charge by the president of the council of state was made in the last session of this joint legislative body which was devoted to debating a report from the ministry of the interior, explaining the reasons for the recent raids by the Sandinista police. The report was essentially self-critical, and gave a great many reasons why mistakes have been made.

Commander Arce made this charge after representatives of private initiative and of the PSC (Social Christian Party) tried to question the report in a negative manner. The report was provided by the ministry of the interior, and dealt with the raids conducted by the Sandinista police force in the days following 19 July.

Bills Under Discussion

Commander Arce said that "the revolution has been considering a number of aspects and is prepared to correct a series of steps that were taken, because they do not fit the reality that we inherited from the Somozist dictatorship."

He said that every revolution, in its beginning, has romantic features. One of these, in our case, is the laws that were passed in the first days of the revolution, when we were

trying to establish an institutional system quickly, without bothering to determine whether or not we had the base, the infrastructure needed so that the laws could be properly enforced.

"The Sandinist police force and the ministry of the interior, through the government junta, are discussing bills to revise procedures," said Commander Arce.

He cited as an example the fact that in Nicaragua only 24 hours are allowed for processing an arrested person. This time is not adequate for the Nicaraguan police force, which has no specialized personnel and no technically trained elements.

He pointed out that in the United States--with a lengthy police history--72 hours are allowed. But here, because of the Somozist demagoguery, the 24-hour requirement was not met. Now, because of limitations and the lack of structural and organizational capacity, no one can be investigated in such a short time.

Referring to the raids in themselves, he said that while they were portrayed as repressive, they were not. He added that repression is one thing, and what appears to be repressive is something else. And the Sandinist police force is not repressive.

The methods used in police work are interrogation, pursuit, and investigation. The methods employed in the past were beatings, torture, and intimidation.

Mistakes Must Be Corrected

Comrade Arce said that it is hoped that the various sectors of the nation will adopt an understanding attitude about the limitations of the police force.

It will be the job of the council of state and of the defense commission to propose a series of realistic, specific measures which will help the police to improve, which is the desire of the police force itself.

He indicated that it is the intention of the members of the police force to correct the mistakes that have been made; they are making efforts to improve, though they are limited by a membership of 20 percent illiterates, as well as some other problems.

FSLN [Sandinist National Liberation Front] Cadres Arrested

Referring to statements made by the Social Christian Party to the effect that members of that organization were jailed in the police raids, Comrade Arce said the following:

"There may well have been persons injured. Anyone jailed is injured. But the police force has also been injured."

He said that in these raids even some FSLN militants were arrested. A protest was made to the ministry of the interior, but first the records of all the activists arrested were reviewed.

He pointed out that any organization--even the PSC or the UPANIC [Union of Nicaraguan Agricultural Producers] will not go to any lengths to protect the members of the organization.

He warned that if they want to defend anyone, it would be dangerous for them to act as spokesmen for criminals and counterrevolutionaries who may make use of these organizations in order to commit acts against the revolution itself. It is important to consider this aspect when dealing with such problems, which will continue to arise.

7679

CSO: 3010

ELECTIONS SEEN AS INSTRUMENT OF PEOPLE

Will Elections Be Held?

Managua LA PRENSA in Spanish 28 Jul 80 p 2

[Article by Roberto Cardenal Ch.]

[Text] Now that the first anniversary of the revolution has come and gone, the democratic political parties and the private sector have begun to talk about elections and the need to set a date so that the existing promise will become a more stable and palpable commitment.

In this article, rather than repeat the arguments of the democratic political parties and private sector, I will attempt to respond to the arguments given by those in government for not setting a date for the elections.

We can separate the arguments offered into two categories: one which maintains that the elections will be held, that the commitment is being kept but that the time is not ripe to set a date because that would distract the country from its principal task which is economic recovery, or that the people have not yet asked for them, etc. The other line of thought maintains that elections are not necessary, that the people have already voted, that holding elections would be the equivalent of causing pluralism to disappear, since the FSLN [Sandinist National Liberation Front] would win them so decisively that the other political groups would be left without participation in the government, that elections are a phenomenon of middle-class democracy and that they do not fit in a socialist society, etc., etc.

We feel that this dual evaluation of elections makes it more necessary than ever to set a date since it would increase the credibility of that group which says that it is keeping its promise of elections at a time when its credibility is weakened by what other high officials in the government are saying publicly, namely that the elections are unnecessary or inappropriate.

With respect to the economic recovery, we feel that with the announcement of a date the private sector in this country and in the neighboring countries with which we trade or which are financing us would see us as a

country determined to fulfill its democratic commitments, a country which is ready to be measured periodically against parties so that the people will have an opportunity to decide which of them best satisfies their aspirations; the private sector would see a government within the framework of a system open to change in contrast to a government cloaking itself in a totalitarian mantle which covers abuses and successes. All this would give confidence to investors and would give them the certainty that their contributions will be respected without any arbitrary changing of the rules of the game. It would be a measure which would dissipate the fear of totalitarianism and, therefore, the fear of investing.

It has also been said that our people have not requested elections. On programs such as "Linea Directa" [Direct Line], "Cara al Pueblo" [Face to Face with the People] or "Cabildos Abiertos" [Open Forums] no one has asked for elections and therefore it is deduced that no one wants them. That seems to us a childish and demagogic argument, since it would indicate that anything not asked for in the programs is not wanted by the people. For example, no one has asked to be a member of the people's militias, nor asked to get married, nor asked that they be given a house, nor asked for many other things, but we cannot deduce that the people do not want all those things.

Our people have always asked for elections, have put their faith in them and have seen them as part of their ethos and civil life as long as they have been permitted to make use of this right. By means of elections, the people elect the leaders of trade unions and popular organizations; by means of elections, the people decide who will be the mayor of Managua; by means of elections, the people elect those in every group who will be representatives to the Council of State. The Council of State selected its leadership by means of votes, and votes are being used by the Government Junta and the leadership of the FSLN to make their decisions. By means of elections, the CDS [Sandinist Defense Committees] are elected; company boards of directors make their decisions by means of votes, etc.

Other groups say that elections cannot be held because the electoral system favors the middle class since it has economic power, etc. To this we reply that the shoe is now on the other foot. Now the FSLN has in its hands all the economic power that the Somozas held, in addition to economic power over other confiscated properties which were not held by the Somozas. What is more the FSLN has the power of the state so that those who might fear the lack of fairness in any election would be the private sector and the democratic parties, since it is the FSLN which controls the wealth, the means of communications, human and economic resources and the power and the means to strengthen its popular organizations. It is in the best position to make promises, to mobilize itself, to identify the interests of the state with the interests of the future voters, to indoctrinate the people so that they will follow the party's watchwords, to offer public positions, and in short to use the machinery of the state to win elections. However, although elections may merely serve to justify the presence of

governments currently in power, for all the reasons cited previously we feel that elections are proper because it is not a question of attempting to win them or to gain power but rather of putting pluralism into practice, strengthening democracy and giving the people the option to choose among the ideologies, social programs, personalities, forms of government and so forth presented by the various parties and candidates.

What is more, the belief that the people have already voted because they fought against Somoza or because they assembled in great numbers in the 17 July Square is to reach a faulty conclusion from a sound premise. We must take into consideration the fact that electing is choosing between two or more alternatives. To believe, for example, that a TV program is infinitely popular because it has an enormous audience in a country which only has one TV channel is to close one's eyes to the truth. It is one thing to see what the people do when they have two or more alternatives and quite another when they only have one choice. The only way to determine whether they are happy with the one-party form of government is through elections. Then the people have the entire say; all become equal, and from the sum of each will the will of all the people is obtained.

Finally, if after those elections it turns out that none of the political parties receives more than 5 percent of the votes, then they will have no political representation since what they are seeking are not gifts but rather duly won rights which oblige others to respect them.

As a final thought for those who do not want to hold elections: It is not right to accuse and attack the military men in Bolivia who did not respect the outcome of an election and in this country to deny the people's right to go to the polls.

Importance of Elections

Managua LA PRENSA in Spanish 28 Jul 80 p 2

[Article by Mario Alfaro Alvarado]

[Text] One year after the popular victory over the Somoza dictatorship, there is persistent talk about elections. It is obvious that there is growing interest on the part of the Nicaraguan people to know when these elections will be held, elections for which they struggled for 45 years.

Public opinion now has the opportunity to think, speak, write and comment on the elections, their importance and their significance for the life of the citizen and for public freedoms. It is a good exercise in civics because it will permit the people to identify with the very essence of democracy. How, then, is it possible to conceive of democracy without free and honest elections?

Democracy customarily is defined in many ways. But no definition is valid if free elections and choices of government are not included in it as basic elements.

Free elections, a universal and secret ballot and freely elected governments are the very essence of democracy. And that is the kind of democracy which the people of Nicaragua have dreamed of having since independence and which they have never had.

Rivers of blood have flowed in the fields and cities of the fatherland in the cause of freedom and democracy. Hundreds of lives have been sacrificed so that this distressed country could one day have a free and honest election.

Elections are not a mere formality, a constitutional "mandate" which must be complied with in one way or another. Elections are the mechanism by means of which the people legitimately exercise their inalienable right to govern themselves and to delegate authority to those citizens whom they have freely chosen to govern in their name.

Elections have three basic purposes: 1. They limit the exercise of power and keep a candidate or a party from installing a dictatorship and doing what they will with the country and its inhabitants. 2. They permit the people, within the time frame established by the constitution and laws, to change the ruler or the party to which the ruler belongs for another party which seems better to them. 3. They enable the people to exercise their sovereign right and install a government in accordance with their wishes and criteria, thereby confirming that the people alone are the sole and legitimate source of authority in the nation.

What is important here and now is that free, democratic and honest elections be held for the first time in the history of Nicaragua and not that such and such party or such and such candidate win the elections. It is not the coming to power of a specific party which is most important, even though that coming to power is accomplished by means of free and honest elections. What is important is that it is the people who in general, secret and guaranteed elections elect the candidate or party of their choice.

All parties have the right--and they always exercise that right--to say that they have the majority of the voters in their ranks and that they "will sweep" the elections. Anything can be said; however, what counts is to demonstrate with free and secret votes deposited in ballot boxes that in reality one party has the support and confidence of the majority of the people.

A party which really has great popular support has no reason to avoid the test of elections. On the contrary, it should be eager to demonstrate its popularity and the confidence which the people have placed in it.

Gaining power is not what should inspire political parties but rather honestly and cleanly winning elections so that they can put a good government in operation. There are many ways to win elections; however, there is only one way to win them legally and honorably: by means of universal and secret suffrage.

It is not coming to power per se which should motivate a political party but rather gaining power through the will of the people in order to serve these selfsame people, those who gave the party their votes as well as those who did not. To govern and govern well has to be the political objective of the parties.

The political tragedy of Nicaragua has its origin in the absence of free elections throughout its entire independent life. The two historical parties which have dominated the national political scene until now alternated in power by overthrowing one another by force of arms. Once in power, the victorious party always resorted to fraud to "win" elections and maintain control of the state. That is until the other party overthrew it and imposed its own dictatorship disguised as democracy.

Over the years this practice, to the shame of Nicaragua, turned into a deep-seated custom and engendered such party rivalry that it produced the free-booting and bloody dictatorships of Zelaya and Somoza. Election fraud engenders dictatorships and the latter, in turn, promote election fraud. How is this vicious circle to be broken?

It has already been broken. The Nicaraguan people broke it once and for all with the defeat of Somoza and his corrupt clique. Now that victory must be consolidated. The sure way to achieve this is by selecting a legitimate government through free and democratic elections.

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NICARAGUA

DANIEL ORTEGA WARNS WORKERS AGAINST IMPROPER ELECTIONS

Managua BARRICADA in Spanish 16 Aug 80 p 12

[Text] "The people have won the right to elections with their blood, but it is necessary for the people to go through a process of consolidation and transformation and popular democracy, which means that the workers will choose their representatives in democratic assemblies; this is a true democracy."

This statement was made yesterday evening by Revolutionary Commander Daniel Ortega, while speaking to 620 workers from the "El Porvenir Industrial Complex" on the "Face the People" program.

"The elections," said Ortega, "are being called for by a small minority. They want elections that will coincide with their interests, elections in which the bosses will decide who the representatives should be. They are trying to confuse the people and give them the feeling that the revolution is depriving the people of their right to elect."

The decision to give a vote to a representative, said Revolutionary Commander Ortega, is a right that has been won by the Nicaraguan people. The FSLN [Sandinist National Liberation Front] and the National Reconstruction Government Junta will not make use of this right to set up election machinery of the type we had in the past.

The struggle of the people against the Somozist dictatorship, he pointed out, is a way of voting that has more force than simply marking a ballot. The people have shed their blood; this is a vote which carries much significance, said Ortega.

There have been elections in Nicaragua already, but we are not going to remain paralyzed by keeping elections going constantly; that would mean immobility under the guise of participation by the people, said the revolutionary leader.

The member of the government junta pointed out that we should not believe that, because we have a strong revolutionary government, it will use its tools of power to dominate our people. As an example he cited the fact that the revolution has been teaching people to read and has given weapons to the people. That is a great proof of democracy.

Comrade Sergio Ramirez Mercado said that the elections after the triumph of the revolution will be different and that our vote will be more aware.

We don't want meaningless elections, said Ramirez; that would be worthless.

Hearing a small minority talk about elections, it would seem that they don't want to elect conscientious officials who have made a commitment to the people, but rather that they want the traditional sort of elections.

He gave the following example of the sort of elections that this minority wants: a millionaire candidate, because he has more money, can import thousands of shirts with his name printed on them. He can give away radios, sewing machines, etc., thinking that in that way he can win votes in Nicaragua. But now he would be totally mistaken, because such elections would be meaningless. And now, with half a million Nicaraguans having been taught to read, such elections would be impossible.

He added that the people will vote for their own interests. We shall see, he said, who will vote for the agrarian reform program to be improved or who will vote for the return of confiscated lands; who will vote for the expansion of the property owned by the people or who will vote to have the confiscated factories returned to their former owners; who will vote for an expansion of the literacy program or who will vote for a traditional education system such as the one we had in the past under Somoziism; who will vote for this nation to continue to be sovereign and independent or who will vote for a return of the old relations such as those with the United States in the past.

These will be the true elections, said Ramirez. Then we will see how the people will vote, whether they will vote for their own interests or for the interests of a minority. And when we can determine that, it will not matter how many employees the government has. It will only matter how many thinking men and women there are in the nation.

During this appearance by our leaders, the following persons were present: Commander Daniel Ortega, Sergio Ramirez, member of the government junta, Minister of Labor Virgilio Godoy, and Vice Minister of Industry Ernesto Leal.

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NICARAGUA

JOURNALISM ISSUES, PROBLEMS DISCUSSED

'LA PRENSA' Is Independent

Managua LA PRENSA in Spanish 9 Jul 80 p 2

[Editorial by Pablo Antonio Cuadra]

[Text] We have chosen the most difficult course within the Nicaraguan journalistic tradition. Not to be a party paper. Not to be a government paper, but also, not to be an opposition paper. Not to act as a means of defense or attack, but as a meeting place. And this is difficult because such a position demands objectivity and in our training period of 45 years under a dictatorship, the journalist, like the guerrilla, comes from battle and is accustomed to attack, to information strongly tainted with subjectivity.

We are trying to train our personnel for this new and revolutionary mission of independence. We want to identify ourselves positively with the transformations in our country and in our people, and within this identification, and starting from that point, we want to open ourselves up to pluralism of different opinions and to make room for constructive independent criticism.

But, added to the resistance that always opposes any change in routine or in custom--such as subjectivity in Nicaraguan journalism--we find ourselves facing another obstacle--government criticism when we make a mistake. Its spokesmen ask us to be objective, but criticize us without objectivity. They don't refer to our mistakes but to our "intentions." They suppose us to be ill-intentioned and based on that subjective point of view, they attack us.

I am not saying that our mistakes should not be pointed out and condemned. By so doing, that will make us continue to become more objective. What I am asking is that an enemy not be manufactured where there is no enemy. We are just as interested in the revolution and in its success as are the people in the government today. Our criticism, when it is made, is not so that the revolution will fail, but on the contrary, so that it will not fail or so that it will not stumble. We do this because we are all in this together, we are all following the same course. Some of us lead the way, others remove obstacles blocking the path, and still others point out changes in direction when they occur.

We have compared our journalism with the democratic organ of the government, the Council of State. An organ of pluralist expression within the revolution. An organ of freedom of opinion that provides the points of view of those who are taking part in the process of Nicaragua's transformation. LA PRENSA seeks to be a meeting place for the free expression of a nation that now controls its own history. That freedom is what we have structured our independence for, and we want this difficult objectivity in order to defend our independence. We have not always been objective. Let us be the first to admit that! But we are working toward this objectivity because we consider that to be our contribution to the revolution of a free people who deserve to be kept informed, with absolute impartiality, on the history that is now being written, and who deserve to take part in this history with their ideas, their opinions, and their criticisms.

'LA PRENSA' To Serve Nation

Managua LA PRENSA in Spanish 10 Jul 80 p 2

[Editorial]

[Text] Today LA PRENSA aspires, more than ever before, to create a journalism at the service of the unity and peace of the Nicaraguan family. But there are serious difficulties involved in doing so.

One of the most serious problems is the mental heritage left us by the long years of struggle against the dictatorship. Nicaraguan journalists became accustomed to a state of battle. Prompt in accusation, in a sarcastic or direct attack, in systematic, harsh, and frequently negative criticism. The nature of the political antagonism experienced at that time made any self-criticism or a modest recognition of error

difficult. That meant a show of weakness and provided a target for the enemy--ready to ruthlessly exploit any admission of weakness. And recognizing any positive aspects in the oppressive regime was playing into the hands of its propaganda machinery. For that reason the journalist kept quiet about any praiseworthy actions, like rare oases, done at times by some members of the government.

The time in which our national journalism was subject to these rules was a long one. It can practically be said that almost all of us Nicaraguan journalists were born and lived under these rules. The young journalist wrote his first stories in a journalism at war. So all of his habits, from routine journalistic practices to the way he presented his stories, were tainted, profoundly shaped by the imperatives of the times. He didn't conceive of a different form of journalism, since he had never had an opportunity to escape from this terrible circle that our situation created and reinforced.

Confronted also with a regime lacking any ideology or any philosophy of government, confronted with a small gangster-like clique, highly skilled in cynicism, the journalist also lost his sense of the clash of ideas and arguments, so common in other countries. On the contrary, in Nicaragua everything tended to become personalized. Could it be any other way? Refuting a government decision with arguments and statistics was meaningless since blunders were not caused by errors or a lack of information, but rather by the exclusive intention to reap personal and political benefits. All of us Nicaraguans are products of this prehistoric, paleolithic history. Our journalists are products of this past.

Now there has been a change. A break that aspires to be both radical and profound, a true beginning of a new history. But what is happening? We carry a burden, a bad habit deeply rooted in our fibers that at times impels us to go on reacting in the same old ways.

In today's Nicaragua, for the first time, the revolutionary government has created an opportunity for a true pluralism to exist. That has meant the joint participation of people and newspapers with different thoughts, interests, and perspectives.

That has meant the creation of a democracy designed to be based on dialogue. But the burden of the past has been

attiling all this promise. What is different has often been treated as "the enemy," and the same old dynamics has tried to crush the birth of what is new. The tendency to view others unfavorably has cropped up again, refusing to recognize any merit or honesty in what is different and questioning all such intentions. Self-criticism has again been stifled, defeated by a defensive attitude that tries at all costs to add up points in its favor. At times at any cost at all.

We would be hypocrites if we gave public thanks to God because we in LA PRENSA are not "like them." Also, whoever persists in seeing such defects only in the other side is also being hypocritical. Not only have we often yielded to this burden from the past, but as individuals we can feel this internal tension that at times manifests itself negatively toward whatever comes from the other side, especially when a personal attack is involved and the ego feels inclined to avenge itself.

But we can not yield to the pressure of the old. If we did so we would be betraying the most serious obligation we have to this revolution: to make it fruitful, fraternal, and Christian.

This struggle against the weight of the past will require daily vigilance, a continued effort to reject the old spirit which resists death, as Saint Paul said.

We are ready to make this effort. It will certainly be an effort made by men and as such subject to many faults and contradictions. Still we want this to be the course of our journalism: to facilitate the way to the new history, which as recently literate people we are still writing with shaky lines and a good deal of rewriting.

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NICARAGUA

'BARRICADA' NOTES 'LA PRENSA' ATTITUDE

Managua BARRICADA in Spanish 11, 12 Jul 80

(11 Jul 80, p 1)

(Text) LA PRENSA's last two editorials (9 and 10 July), dealing with the particular problems which that newspaper faces in exercising a truly constructive form of journalism, are encouraging, in the sense that they express an explicit intent to improve in regard to the line followed to date by this newspaper, after the great majority of its professional staff and almost 80 percent of its workers in general transferred to EL NUEVO DIARIO in order to create a new revolutionary weapon in our national journalism. Nonetheless, in the search for a response to its particular problems--which may at the same time serve as an explanation to its readers and to the entire nation--LA PRENSA is making a series of general comments covering all of our national journalism, while leaving aside some questions that deserve comment.

In its main argument, LA PRENSA says that one of the most serious problems is the mental heritage left to our national journalism by the prolonged struggle against the dictatorship. The nature of the political antagonism--it says--accustomed the Nicaraguan reporter to be on the attack, a systematic critic, and frequently negative, because no concessions could be made to the dictatorship. The habits, the journalistic techniques and the form used were conditioned by the imperatives of the times. The clash of ideas was lost, and issues tended to be personalized, since nothing else was possible, says LA PRENSA. And then it suggests that after the triumph of the revolution--which entailed a radical and deep break

with the past--it was offered the challenge of creating a truly democratic form of journalism, but "we carry a burden, a bad habit deeply rooted in our fibers that at times impels us to go on reacting in the same old ways. But we cannot yield to the pressure of the old," concludes LA PRENSA, and it announces a continued effort to stimulate a different form of journalism, "in order to facilitate the course of history."

While this commentary is positive in general, we must list some of its limitations, if we are to go to the heart of the problem and reach truly worthwhile conclusions.

It is true that the majority of our national journalists took positions of direct opposition to the dictatorship, positions that demanded a commitment on the part of the journalists to use the communications media as real weapons against the old regime. Placing the form and content of democratic journalism at the service of the people responded to an appeal coming from the people themselves, to attack unceasingly the dictatorship in any way possible, at any risk. That was the option chosen by the democratic majority within Nicaraguan journalism, although there were of course groups of Somozist journalists, and a perhaps even smaller sector that never directly attacked Somozism, but sought reconciliation, the survival of Somozism infused with imperialism, and thus the victory of reform and not of revolution. That group also had its own forms, styles, and content.

What is important, in any event, is to point out that the majority of our journalists, by selecting a direct attack against the dictatorship, also defined their class position at the side of the masses. This position led them to understand that the role of the journalist does not consist of placing himself above society like a "referee" to tell people what is going on, cloaked with a false guise of "impartiality." On the contrary, the actual practice and the demands of the struggle showed that the journalist, like the intellectual worker, like the salaried worker, who all fight in the ideological field and have an important social mission to fulfill in society, should organize in trade unions to make their struggle more effective and to unite closely with the majority aspirations of the exploited. The battle, then, took place not only in the communications media, but also in the streets, in the underground press, in the Union of Radio Journalists of Managua, which joined organically with the masses organized in the United People Movement, in the UPN [Union of Nicaraguan Journalists], which also joined with the National

Patriotic Front, in order to fight from that position for the revolutionary overthrow of the dictatorship and for the triumph of the popular democratic regime. We can say, then, that despite all the defeats and distortions that occurred in the dark days, the struggle of the journalists created the conditions for a true integral achievement on the part of the people of the press. Whoever in the past had raised the banners of an "independent" journalism did not do so from an abstract point of view; it was a matter of political, economic, and ideological independence from the dictatorship and from the class power of capital. And the condition for this independence was always its growing unity with the Popular Movement, with the interests and aspirations of the masses, and with the FSLN (Sandinist National Liberation Front) itself.

The truly difficult course which the majority of Nicaraguan democratic journalists have chosen is to continue to maintain this historic option that was chosen during the period of struggle against the dictatorship and to place journalism at the service of the majority interests of the people. This is difficult because always being at the sides of the people and against all their enemies is an attitude that entails great deprivation and a struggle against an ideological burden that goes much deeper than what was inherited from the dictatorship. Even more difficult is the fact that, now that the dictatorship and the large anti-Somoza umbrella under which some false friends of the people had gathered have both disappeared, our present situation demands clear definitions. One is either with the people or against the people, and it is becoming harder to deceive the people.

The challenge given us by the revolution is immense, we don't doubt that; but it is a challenge that is easier for some to accept than for others. Revolutionary journalism in the days of the dictatorship personalized many of its attacks on Somoza and the men who visibly represented his regime of exploitation, but it acquired also a higher level of consciousness that led it not to personalize political issues, and to educate the people to see that what was important was not to replace persons, but the system itself, by another system with a radically different content.

Attacking Somoza and the Somozists never implied that their persons had to be eliminated to solve the nation's problems, but rather that it was necessary to fight against "Somozism without Somoza" and imperialist intervention in order to

give preference to the revolutionary system rather than the one favored by the reformers. Actually, while in the past there was a ruthless ideological clash, the democratic journalists demonstrated great ability and skill in favoring the revolutionary concept of anti-imperialist Sandinism, rather than the reformist concept of proimperialist anti-Somoziism.

Now, participating in today's revolutionary Nicaragua and exercising a truly constructive form of journalism is obviously easier for those who have always fought at the sides of the revolutionary people without any sort of reservations. We all know the outcome of the struggle: the triumph of the Sandinist Popular Revolution and not of the proimperialist bourgeois reform. The people are in power, and that means absolutely everything: ownership of the communications media, the tasks and roles of journalists, and both form and content.

Then what are the real problems, the difficulties, and the tasks today facing our national journalism? The answer to this question is obviously much more complex than the answer given by LA PRENSA in its editorials. We can say, though, that what LA PRENSA proposes as the main problem--overcoming the burden of "negativism" in criticism, the inertia in self-criticism, and what position to take in relation to the new authority, after having lived through over 4 decades of Somoziism--has already been handled well by the revolutionary current of journalism. Those who joined fully with the struggles of the masses and the revolutionary transformation brought about by the FSLN have never confused the radically different essence of today's new revolutionary authority and all its state institutions with the antipopular nature of the Somoziist dictatorship. Those people are quite different who, claiming to oppose the Sandinist hegemony, place themselves in the "opposition," and even go so far as to make use of the luxury of questioning the Sandinist authority as if it were Somoziism, using weapons that they never dared bring out into the light of day during Somoziism. Perhaps that may be a problem for some of the new journalists of LA PRENSA, but it can not be considered a problem for all of our national journalism. There are problems, but the central issues lie elsewhere.

[12 Jul 80, p 3]

[Text] Now that the differences have been drawn between those who, because of their ideological ties and their behavior in the past, were bewildered by the rise to power of the exploited classes, and the majority of our journalists who joined in the Sandinist struggle and who have no structural problems in defining their position in relation to the new Sandinist authorities, we can deal with the real problems and issues facing our national journalism.

We do not claim to be providing magic solutions and recipes for these problems, because there are none, but rather we are outlining the magnitude of some of the tasks that we face, while calling on other comrades to join in this collective effort of clarification.

In short, this is not a matter of simply exposing reactionary positions present in Nicaraguan journalism; we must also determine the courses that will entail greater commitment on the part of journalists with the revolution, especially now that the Assembly of Commitment of the UPN is drawing near.

I From Concept to Organization

Against the bourgeois concept of the communications media as tools for the dissemination of (apparently objective) ideological messages aimed against the masses, to demobilize them, confuse them, and deny them their historic role, we must promote a revolutionary concept that aspires to make the media a true means of communications: weapons for the masses, independent of capital and of imperialism, to be used for the organization, education, and mobilization of the people around their revolutionary tasks and above all, to achieve a true communication among the people.

The link between the organized masses and the communications media, in the transmission and reception of messages, is for that reason an imperative in order to achieve true communication. Rather than a technical matter, this is an essentially political and ideological problem. If we think not, let us review the communications media in our nation and we will find huge differences in the importance that they attach to the presence of the organized people in the construction of a new society. The clash between these two totally opposed concepts is manifested on a daily basis.

But a correct concept is not enough to guarantee the organic bond linking journalism in Nicaragua with the masses. The organization, as an essential intermediating entity, must become a real force to enrich the concept and guarantee revolutionary practices. That is the challenge proposed by the revolution to the UPN. In addition to its many tasks in the realms of political education, the specialization of journalists, the economic defense of the interests of the union, its role in the national and ideological struggle, and its political presence in our national life, perhaps its most immediate task is to help to standardize a revolutionary concept of the role of journalists, so that the organization may be consolidated and structured according to the tasks proposed for it.

The struggle is both demanding and difficult because it offers the challenge of breaking old organizational models and overcoming a series of ideological weaknesses, but in the end, it is the only way to multiply the efforts and abilities of journalists on both an individual and collective basis, while at the same time creating a stronger bond between the union and the revolutionary mass organizations.

II Social Transformation As a Source of News Versus "Sensationalism"

The media, which are still subject to the dynamics of the laws of the marketplace, must oppose the objective pressure that tends to impose on the news and on information the character of merchandise designed to be sold to consumers.

"Sensationalism," which is typified by unusual isolated events or facts (three-legged chickens, legendary heroes who take the place of the masses, exciting feature stories, and other distortions of bourgeois society) which have little or nothing to do with reality, but which stimulate sales of the news product at the cost of the reproduction of the old types of bourgeois values (which make things of no historic importance seem important), is a trend that should be opposed by revolutionary journalism. The revolution itself, which contains a wealth of information, events, and unprecedented social dynamism, should be the main source of news. It synthesizes the heart of our people: their problems and limitations; the economic and social transformation; their struggle in all fields to win new sectors over to the cause of the revolution and to defeat its enemies in all areas; the understanding of their own history and their future; and the changes that are taking place in their daily lives.

Furthermore, when confronted with a contradictory situation, journalism should be able to expose the reactionary interests of those who proclaim a false "independence" from the revolution, while in reality they are quite dependent on the political, ideological, and ultimately economic interests, of capital.

In the everyday focus on the class struggle, in the interpretation of the news (analysis of its causes, consequences, and interrelationships with other phenomena), opposed to the presentation of isolated events that reflect an artificially fragmented reality, these two different concepts of class are made manifest. Concealing reality is the objective of the reaction, while giving the people the tools to take possession of the history that they are creating is the goal that the revolution has given revolutionary journalism.

III Not Only Content, But Form As Well

Nothing is harder than to be imaginative and to give new forms of expression to revolutionary journalism. The break with the past, with its ingrained habits, will be a long and difficult undertaking, but we can not forget this challenge and go back to the easy way of transplanting old forms to fit new contents.

Apart from creatively exploring the forms that offer the best means of communication among the people, we must recover the entertaining and amusing function of the communications media, but separated from the alienating and stupefying character given the media by the forces of reaction, in order to give the media a new liberating perspective.

How much progress have we made so far? That is a question we must ask in order to overcome our deficiencies and limitations.

IV New and Old Values

"We can not yield to the pressure of the old," said LA PRENSA in its editorial. But we have seen what LA PRENSA means by "old." For revolutionary journalism, the "old" is nothing but the exaggerated patriotic nationalism that was advocated by the forces of reaction, in opposition to the revolutionary internationalism called for by Sandinist practice. The "old" is reactionary anticommunism which the reactionaries use to confuse and manipulate the petite bourgeoisie in order to keep them away from the historic regime of revolutionary

Sandinism. The new is voluntary work, the Assemblies of Commitment, and days of emulation, in which our people express a new attitude toward work that marks a step forward in their revolutionary consciousness. These are some of the new values that the revolution has been creating.

Disseminating the best experiments, making them widespread, must be a duty of revolutionary journalism in its contribution to the victory of the new over the old. And where can the new be found? Right here: in the everyday life of the people, in their advances in participation in directing the economy and the revolutionary state, advances that so annoy the classes who were removed from power. The new lies in the deep love for our country which inspired the Sandinist revolution and in the constant renewal of our homage to the heroes and martyrs who made the victory possible. The old vices and the heritage of Somozism will not disappear overnight, but the revolutionary transformation of Nicaraguan journalism is one of the worst enemies of these vices from the past.

V Revolutionary Criticism

An essential requisite for the exercise of revolutionary and constructive criticism within our national journalism is a thorough understanding of the Sandinist revolution and a sincere bond between the journalist and the revolutionary process and the class interests represented. That is why the reactionary forces find it so difficult to exercise constructive criticism. They do not share this understanding and this bond, and their statements of good faith are worthless because they are contradicted in practice every day and in the end, that is what counts.

We revolutionary journalists, on the opposite side, have to try to go beyond mere understanding and a bond with the process. We also need to have new attitudes and to overcome a series of political and ideological weaknesses in order to find the central issues and to exercise our criticism with a great sense of responsibility. We must throw overboard matters of personalities so we will not miss our target, and in order to find real solutions for our problems.

The communications media should also become a weapon used by the masses for their revolutionary criticism. That is the correct position. But there are problems, both subjective and objective problems involved in this, and we

must properly evaluate them in order to determine their causes and the real possibilities of overcoming these problems. In any case, the essential thing is always to offer alternative solutions within a revolutionary perspective. That is what really makes criticism constructive.

The revolution demands an energetic and responsible position from revolutionary journalism in facing problems such as excessive bureaucracy, the squandering of our resources, arrogance, abuses of power, etc. We must not allow ourselves to become involved in manipulation, as the reactionary sectors do every day.

We are the first to be convinced that without criticism there can be no revolution, and that is why we are calling on our national journalism to face up to this historic responsibility. Only thus can we rise to the level of our circumstances.

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CSO: 3010

CARLOS NUNEZ COMMEMORATES 'BARRICADA' ANNIVERSARY

Managua BARRICADA in Spanish 27 Jul 80 p 3

[Speech by Carlos Nunez, commander of the revolution, at the ceremonies commemorating the first anniversary of BARRICADA; date not specified]

[Text] Brothers of the National Directorate
Brothers of the Government Junta for National Reconstruction
Brothers of the National Secretariats
Brother delegates of the Mass Organizations
Comrade journalists
Workers of BARRICADA
FSLN [Sandinist National Liberation Front] Propagandists
Pioneers in Revolutionary Journalism

When the FSLN was founded 20 years ago, an activity was initiated which was new in scope: propaganda activity. And the first leaders, who are not with us and whom we miss, operating clandestinely and anonymously at the stroke of midnight, taking advantage of every opportunity, glued to the mimeograph machine with stencils, their hands covered with ink, barely using single sheets of newsprint in semidarkened rooms--these men put into each one of their publications their untiring spirit and their bright intelligence in the production of leaflets, pamphlets and newspapers. They awakened our consciousness with their activity, teaching us methods of fighting; it was they who showed us the way toward ending the dark night of Somoza and it is they who should be considered the pioneers of revolutionary journalism in Free Nicaragua. For this reason, in the midst of the celebrations which have centered around the first anniversary of the triumph of the Sandinist Popular Revolution, it is especially important for us to salute the first year of BARRICADA because this newspaper symbolizes the efforts of the leaders who have fallen. It symbolizes their hands, their blood and their intelligence which, molded by 20 years of fighting, were present in the many thousands of leaflets published, in the hundreds of thousands of articles written even under the most ferocious persecution, in dozens of newspapers published on a national and international level.

The emergence of BARRICADA as the official organ of the people's vanguard and of the FSLN as the undisputed leader of the emerging popular revolutionary power, marks an important milestone in the process of organizing the working people on a mass basis. That enormous organizational effort in the proper exercise of power necessarily involved the establishment of its own organ of expression which would be clearly defined and conscious of its role in the new era our people began by revolutionary means under the leadership of the FSLN on 19 July 1979.

Birth of the Revolution's Newspaper

From the date of its first issue, 25 July 1979, which carried a headline summarizing the vanguard's resolve--Victory and Forward--BARRICADA has been one of the important elements in strengthening the ties between the FSLN and the masses at the same time that it was becoming a valuable instrument in the difficult task of explaining, orienting and organizing the masses throughout each one of the complex contingencies which have arisen in the development of our program.

It fell to our brother, Commander Bayardo Arce, to assume for the national directorate the responsibility of pulling together the experience of the FSLN on the subject of the revolutionary press--which, because of the very peculiarities of our fight and of our historic development, was a fragmented experience--and with the assistance of persons such as Julio Lopez, Luis A. Guzman, Carlos Fernando Chamorro, Leonel Espinoza and Carlos Carrion, establish the basis for the emergence and permanence of the official organ of the FSLN.

It has been 12 months of hard work. In spite of the scarcity of materials and with great effort and dedication, we have succeeded in bringing about the consolidation of the revolutionary press--a daily, everyday expression of the guidance of the vanguard to the masses--which has been characterized by dynamism, creativity and originality.

A New Kind of Journalism

BARRICADA has been overcoming these difficulties and its own inexperience. In what we could call stages, BARRICADA has, little by little, assumed the responsibilities inherent in its role and has projected, with increasing clarity, the peculiarities, requirements, advances and problems of our revolution. To be real and effective that projection has to have as its permanent focus the transformation of the masses, of the organized people. And that has not been easy.

It has not been easy because that transformation of the masses occurs without fanfare. It is the everyday effort of the field worker or city worker to increase production; it is the straightforward activity of the new type of labor union assemblies; it is the everyday activity of the CDS [Sandinist Defense Committees]; it is the political training which is taking

place in dozens of committees all over the country. It is, in short, the constant activity of all the people which serves to bring about a revolutionary transformation.

As we said, it has not been easy to take over the job of protecting that transformation of the masses. It has not been easy because the press in this country was marked with the stamp of sensationalism. We were not accustomed to regard as news the formation of a cooperative in the country near Managua; we were not accustomed to regard as news the daily lives of men and women among our people working in factories, schools, neighborhoods and labor unions.

After the victory of the revolution, after the people had become the subject of their own history, this had to change; BARRICADA, the official organ of the vanguard, could not fail to assume primary responsibility for a program which has definitely necessitated a qualitative change on the part of the national press.

BARRICADA's Achievements

In this sense BARRICADA has established and must continue to establish, the guidelines for the new journalism in the new Nicaragua. BARRICADA thus constitutes the vanguard in the fight for the transformation of national journalism into a sector in conformity with the new realities--serious, responsible and revolutionary.

It is precisely for these reasons that the sectors interested in stopping or at least curbing the extent of these transformations feel that BARRICADA is a thorn in the flesh.

They sometimes speak about BARRICADA's lack of "objectivity." An objective newspaper is something BARRICADA is not and never will be--and that we can state flatly. It is not and never will be impartial because it is at the service of the revolution's interests, which are none other than the interests of the working people. BARRICADA is not impartial because, like the revolution itself, it is a Sandinist organ. Therefore, like the revolution, it is of the people and anti-imperialist.

Within the framework of these definitions BARRICADA must continue its upward march toward excellence. The tasks it has before it are enormous and the different aspects of its activity and of its influence on the people's consciousness should be developed more and more effectively, with a wider scope, a higher degree of perfection and better than the way things have been done up to now.

BARRICADA must every day become more efficient in the fulfillment of its educational task; it must constantly improve its performance in its role as disseminator not only of the guidelines and positions of the vanguard, but also of that enormous activity that we spoke of earlier which is no

other than the building by the masses—down to the most minute details—of life in the new society. And to achieve this, we must strain every muscle so that BARRICADA may be the strongest support for our mass organizations, especially as concerns the overall political-organizational guidelines.

The Ideological Fight Will Become Harder

The aspect which, in political terms, probably best sums up what we have said up to this point is BARRICADA's job as an ideological combatant. Up to now it has been possible to wage the ideological battle within objective parameters, that is, starting with the concrete tasks of the revolution. That is a framework which must be maintained; it is by necessity the North of our compass.

We believe that the nature and the content of the ideological battle has been clarified, but it is important to be aware of the fact that the battle will become harder and that it is going to be harsher. For several months now the international reactionaries, with beating drums, have unleashed a campaign through their transnational newspapers which as you all know, has found an echo, subtle or blatant, in some of the local media. In other local media they have been confronted by the solid, brave and honest activity of newsmen who without any hemming and hawing have said to them: Gentlemen of the reaction, consciences cannot be bought, we are for the revolution, we are for the people, we are free newsmen, the people's freedom has no price. On the other hand, the very progress of the revolution, demonstrated graphically on 19 July, will noticeably influence the actions of the obstructionist or frankly reactionary groups. It is up to us to perfect our aim.

It is up to us, not only to reject the attacks and to disseminate the best arguments to counter them but also to strengthen the people's understanding of all the details and shadings of the politics of the revolution.

It is up to us to raise the level of political understanding of the masses as high as possible. This will without any doubt guarantee the rejection of reactionary or ultraleftist interpretations, a better performance of assigned tasks and a substantial contribution to the formation of a solid revolutionary attitude in our people. This should be based on a participation which is conscious and clear as to the historic, strategic objectives of the revolution and on an understanding of the immediate requirements and limitations.

BARRICADA Must Outstrip Itself To Meet the New Requirements

An even greater strengthening of BARRICADA is therefore essential. Its objectives with regard to militancy and with regard to the masses must become more specific. It is essential that even in the most remote areas of our country BARRICADA be identified as the official organ which expresses

the activities and needs of these areas as the vibrant, dynamic and guiding expression of the people in revolution; the organ which speaks to the people, tells them their errors and their mistakes and gives them its invaluable instruction.

Great things are expected of BARRICADA and hence a great effort will also be needed to accomplish its assigned tasks.

We note with satisfaction how it is improving. The editorials, the background articles, the departmental news, the articles on the mass organizations, the leadership activity of our vanguard, the actions of our government junta and the National Reconstruction Government are pulled together and presented by BARRICADA with ever-increasing good judgment.

Its condemnation of the plight of the workers and the living conditions of our people is presented in such a way as to constitute an important element in the formation of class consciousness.

BARRICADA has grown, but it has a long road to travel to meet the demands which the unfolding revolution is placing and will continue to place on the press and on revolutionary journalism.

In this sense it is necessary to become more and more closely linked with the people's affairs. It is necessary to strengthen ourselves ideologically and politically in order to face the situations which arise. But it is also necessary to establish clear guidelines and specific objectives for every area in which our newspaper is called upon to exert an influence.

The Moral Stimulation of the Sandinists

We wish, finally, on this day and before all of you to give recognition to the great merit of the comrades who are spurred on by their work in the Sandinist system. Moral political recognition is not related to any material thing. For the revolutionary, knowing the appreciation, the sympathy and the acceptance he enjoys among his comrades-in-arms is worth millions of times more than any luxury article because Sandinist morality has no price and because the recognition of the vanguard and of the people will go down in history; one generation can die and others can be born, but the example, the qualities and the teachings will always remain in the hearts of the people and the nations as something inextinguishable, like an eternal flame which always lights the beautiful road of the revolution.

/Sandino yesterday, Sandino today, Sandino always. Free fatherland or death./ [in boldface]

FREE ENTERPRISE COMPARED TO SOCIALISM, FOUND LACKING

Managua BARRICAADA in Spanish 10, 12 Jul 80

(Article by Jose Luis Medel) "Is Free Enterprise Really Efficient?"

(10 Jul 80, p 3)

[Text] One of the arguments most frequently voiced by the Right is the allegedly greater efficiency of the "free enterprise" system compared to centralized planning. It is argued that economic incentive within the capitalist market makes for a more efficient utilization and assignment of resources. Individuals and businesses react more rapidly within a "free" market structure than within a heavy bureaucratic machinery.

It is held, in addition, that the state is by nature a "poor administrator," from whence it is inferred as a logical conclusion that the greater quota of economic activity should belong to the private sector. It is also maintained that even the socialist countries are "resorting at full speed to capitalist techniques in the administration of state enterprises." The obvious conclusion to be drawn from the foregoing would be that socialism is an inefficient economic system. Naturally, no intelligent reactionary would support a return to an absolute "laissez-faire" system. For obvious reasons it is accepted that the state looks after the "common interest" and intervenes in the economy through indirect mechanisms which correct the "imperfections" of the market system.

If we try to make a comparative analysis of the two different economic systems, it is easy to conclude that the socialist system--although by no means perfect--is more efficient than the capitalist system. The variables at the macrosocial level would be: the rate of economic growth, rates of unemployment and inflation, redistribution of income, education and health.

With respect to economic growth, any serious economist recognizes that in general the rates of economic growth of the socialist countries are greater than those of the capitalist countries. In 1917 U.S. production was 8 times that of Russia; at present, according to TIME magazine, USSR production is 60 percent that of the United States. This last figure is also deceiving, since the Soviets do not include services in what they call the "Net Material

product." It must be remembered also that the USSR was devastated by World War II, while the United States was economically favored by the war, which provided it with a way out of the crisis of the 1930's. Between 1953 and 1979 the Soviet economy grew at an average rate of 8 percent, while the American economy grew at a rate of 4 percent. For 1980, UNCTAD estimates that the socialist countries will have an average growth rate of 4.1 percent. The capitalist countries will be lucky if they achieve zero growth rate; more probably, with the present recession, it will be on the negative side. Adelman, a rightist American economist, admits that generally the economic growth rates of the USSR average 3 percent higher than the American rates.

Should any reader wonder, then, why the United States is the richest country on earth, before answering he would have to analyze imperialism to explain the phenomenon. In any case, the comparative analysis of its production with respect to the USSR cannot be limited simply to saying that the United States produces more; it is necessary to view that tendency historically. On the one hand, it is obvious that compared to 1917, the supremacy of American production has decreased constantly, and on the other, while the socialist economy maintains self-sustained rates of growth, the cyclic crises of imperialism occur with increasing frequency and greater intensity and are so complex that the solution to them is ever further from the old formulas of the bourgeois economy.

Marxism recognizes that capitalism develops the productive forces of a society in an enormous way. In the United States capitalism has constructed an incredible productive capacity, but it has become enmeshed in the unavoidable contradictions of the system. That is why, although in 1917 the United States produced 8 times the production of the Soviet Union, that difference has been cut dramatically by the greater growth rates of the Soviet economy.

Many capitalist economists like to mention the experiences of the FRG and of Japan, countries which achieved high growth rates in the 1950's and 1960's. Obviously capitalism has been capable, and not only in that era, of achieving high rates of development in some countries, but sooner or later its inevitable contradictions emerge, as is happening right now with the worldwide capitalist recession. Moreover, it should be remembered that Germany as well as Japan were favored by the immense influx of funds from the Marshall Plan, something which did not happen either with the USSR or with Eastern Europe.

[12 Jul 80, p 3]

[Text] The socialist economies do not suffer from the cyclic crises of capitalism. They are economies without either inflation or unemployment, and with a stable balance of payments. The capitalist countries, on the other hand, have fallen into the trap of stagflation (inflation with recession and unemployment). If they attack inflation, they aggravate unemployment, and vice versa. The capitalist economic policy is the policy of "stretch and shriek," of "accelerate and brake." If there is strong inflation, they brake the economy, which aggravates unemployment; then they accelerate,

aggravating inflation, and the cycle is repeated indefinitely. Because of this "accelerate and brake" policy, the rates of economic development of the capitalist countries are constantly lower than those in the socialist countries.

Not do the so-called "market economies" have overseas equilibrium. There are always countries which are behind and those which are ahead in their balance of payments, and this, with the fluctuation in foreign exchange, gives way to instability in exchange rates and uncertainty in international trade. In socialism, on the other hand, foreign trade is planned and the balances of payments are balanced.

Regarding unemployment, it is already well known that this is a problem inherent in the capitalist countries. At present the United States has an unemployment rate of around 8 percent; on the other hand, with respect to the USSR, the same reactionary magazine, TIME, in its 23 June edition, states that "without any doubt, scarcity of labor is a serious problem in all sectors of the Soviet economy." Although its language is distorted, the aforementioned magazine clearly accepts the existence of full employment in the Soviet economy. At the same time, inflation is practically nonexistent in planned economies, because of price control as well as control of currency. Some reactionary economists have maintained that although open inflation does not exist in the socialist countries, there is "hidden inflation." This theory of "hidden" inflation in the socialist countries is false, because the percentage of goods and services sold on the so-called parallel, or black, market is not significant.

It is frequently said that the capitalist market is a more efficient system for the allocation of resources. Such statements, however, do not indicate what type of market is meant. The same bourgeois economists specify several market structures in perfect competition: oligopolistic, monopolistic, etc. When they exalt capitalism, they do it under the supposition that it functions as a "perfectly competitive" market. However, the unavoidable fact about capitalism is the predominance of oligopolies and monopolies. And when monopolies predominate in the economy, when the big fish have swallowed up the little fish, in no way can it be said that the capitalist market is an efficient way to allocate resources. Even within the bourgeois economic theory it is widely accepted that the dominance of a few enterprises in the market does not lead to an efficient allocation of resources. Naturally, what the bourgeois theory can never accept is that monopolization of the economy is an unavoidable law of capitalism.

In the socialist countries, income is more justly distributed, and education and health are completely free. In the capitalist countries there is unequal distribution of income and in some, health and education are a shameful business. Even dying can be extremely expensive in the United States.

It is undeniable that there is bureaucracy in socialism, but the bureaucracy is not exclusively a problem of this system. It flourishes in capitalist countries and even in big private corporations. Bureaucratic inertia in the private sector is partly responsible for the deep crisis in the American automobile industry, which was unable to adapt itself in time to the energy crisis.

It can also be accepted that the bureaucratic problem is a little more serious in the planned economies, but balancing out the pluses and minuses, the result is always favorable to the centrally planned economies.

The socialist states are not "poor administrators." On the contrary, socialism represents the overcoming of the contradictions of capitalism. It is for this reason that in planned economies there is no inflation, unemployment or imbalance in overseas payments, and in general they show greater rates of development than those of the capitalist countries. The economic incentive also exists in socialism, and this does not mean that they are "resorting to capitalism techniques in the administration of state enterprises." It is simply that the Marxist principle of "to each according to his work"--which is the same as saying "to each according to his productivity"--is being applied. The essential thing in socialism is the socialization of the means of production, and it can perfectly well use--in addition to moral incentives--economic incentives which raise productivity.

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PROGRESS OF AGRICULTURAL DEVELOPMENT PROJECTS NOTED

Managua BARRICADA in Spanish 26 Jul 80 pp 3, 8

[Text] The existence of a coordinating council capable of bringing state agencies together with those of the rural workers is a qualitative step in the revolutionary process. The BND [National Development Bank], INRA [National Institute for Agrarian Reform], PROCAMPO [Pleasant Development Program] MIPLAN [Ministry of Planning], ENABAS [National Staple Foods Enterprise] and ATC [Association of Rural Workers] are represented in the National Assembly of Small and Medium Producers.

In practice, these entities function in Departmental Committees of Small and Medium Producers and are coordinated by a National Committee. The purpose of the assembly held in Managua was to evaluate its objectives, which are: 1) to express solidarity with the first anniversary of the Sandinist Revolution; 2) to initiate efforts to facilitate the harvest for the small producers (which, it is predicted, will be very large); and 3) to discuss policies and mechanisms for the late harvest.

It is well to summarize the presentations of the representatives of the BND, PROCAMPO and ATC and of Commander of the Revolution Jaime Wheelock, since they outline the present situation of this agricultural and livestock sector.

National Development Bank

The credit granted by the BND has contributed to the incorporation into production of areas which have historically been left out. In this respect credit must be considered a political fact. The BND has granted credit for 1980 as follows:

<u>Producers</u>	<u>Credit</u>	<u>Percentage</u>
More than 50 manzanas	1,900,000 cordobas	46.3
Less than 50 manzanas	1,006,000 cordobas	24
Small producers and associations	1,153,306 cordobas	29.7

If we take into consideration that in 1977 the state granted the small producers only 9.4 percent of the credit, the change in the social composition of agricultural and livestock production becomes apparent. The credit, which was easily granted to the small producers and associations, has evidently been a dynamic factor for this year's harvest.

The BND has also generated a change in its policy. This change involves 526 agencies, the Air Bank of the Atlantic Coast (with 8 new agencies) and 12 million cordobas granted for recovery of the coffee production industry.

The small producers' debt has been restructured (avoiding its cancellation and the harmful expectations which this might have caused), and that restructuring was as follows: The interest on the debt was cancelled to 30 May and the entire debt was restructured at the following new rates and terms:

Sandinist Agricultural Cooperatives	at 7 percent for 15 years.
Credit and Service Cooperatives	at 8 percent for 12 years.
Small Individual Producers	at 11 percent for 10 years.

PROCAMPO

PROCAMPO has provided this process with its technical assistance for development. A current of new and proven technical know-how has begun to flow to the small and medium producers.

Rural development and agrarian reform require technical as well as political education; apolitical technical assistance does not solve social problems. PROCAMPO considers training a revolutionary task through which the technicians, who impart the knowledge, must increase their efforts to learn about the elements of the revolution.

Technical assistance contributed by PROCAMPO to the small and medium producers for 1980 is as follows:

<u>Classification</u>	<u>Manzanas</u>	<u>Estimated No. of Quintals</u>
Corn	148,484	4,000,000
Beans	8,916	104,000
Rice	19,606	326,000
Sorghum	3,964	177,000
Cotton	8,563	(no estimate)
Coffee (33 percent of national production)	34,600	40,000 (gold quintals)

Association of Rural Workers

The speech by Wilberto Lara, national production secretary of the ATC, and that given by Commander of the Revolution Jaime Wheelock were the most

applauded of the assembly. In them, criticism, self-criticism and a high degree of class awareness (which occasionally gave them a belligerent tone) combined to hold the audience's attention.

Comrade Lara pointed out one fact that clearly reflects the great steps made by our rural workers in organizing and responding to the call of our vanguard: the feverish agitation which in July moved all the countryside, all the rank and file agencies of the ATC (union as well as cooperative) to hold hundreds of commitment assemblies, evaluating their work and setting goals to be achieved by each worker.

"Today the rural workers are learning what it means to participate in the administration of all the people's wealth, and although we have only taken the first tottering steps (because this is so new), the results are encouraging. For the first time we are questioning, evaluating, recognizing the mistakes, making formal commitments."

He emphasized as one of the most significant achievements of the ATC, the great response of the small producers in forming cooperatives, and that this response is only one example of the rallying power of the FSLN [Sandinist Front for National Liberation] and of the great prestige it enjoys in rural areas.

Concerning the fear that the cooperatives will become isolated and remain outside of the APP [Area of People's Property] and be a negative factor in labor, he pointed out that many of them have set volunteer work on the APP farms as a goal. Although this appears to be a small detail, it reflects the confidence of the workers in the leadership of the vanguard and in the work of the new revolutionary state.

The ATC admits--and clearly--that many credit and service cooperatives do not actually function as cooperatives. There is the will, the disposition and a great eagerness to become better organized, but there is still much work to be done before that will and disposition are translated into solid cooperatives.

The ATC has made some demands on the various state organizations. It asked that PROCAMPO "give real technical assistance and not limit itself to the distribution of goods and funds. Proper utilization and, in the last analysis, the acquisition of credit depend on this."

He called upon the comrades who are technicians to go to the cooperatives, however far away they may be and no matter how bad the roads are and "to learn from the practical experience of the farmers and to have the willingness and humility to combine their technical knowledge with that experience."

He admitted that many times credit has been distributed carelessly, but he said that complaining does not accomplish anything and that the BND must learn

to propose concrete alternatives--to be creative and not simply passive. The ATC has proposed the establishment of savings accounts in the BND agencies, where the cooperatives can deposit their funds so that they can withdraw them from time to time according to their actual needs.

He demanded greater efficiency from ENABAS, better planning of supply in rural areas and better coordination in sales; "we cannot continue to function with improvisation and last minute decisions in such a vital area of the life of our cooperatives."

As a concrete result of the organizational achievements and of the awareness of the small producers, this first year they organized the Sandinist Agricultural Cooperatives, in which the small producers have broken through the barriers to work their plots collectively, socializing their means of production and their work.

To guarantee that these cooperatives become an example for all the farming population, he demanded greater attention from state agencies because one of the most important achievements of our cooperative organization is at stake in the CAS [Sandinist Agricultural Cooperatives].

Commander of the Revolution Jaime Wheelock

Commander Wheelock began by congratulating the best Departmental Committees. He recognized their capacity to deal with the problems, their coordination with the National Committee and their compliance, discipline and assistance. The committees so recognized were: Leon, Managua, Nueva Segovia and Chontales.

He defined the assembly as an important milestone in the process, since it shows how the revolution is solving, in a collective way, the problems of the small producers. He emphasized the importance of the fact that over 12,000 manzanas are under the control of INRA and that while the initial agrarian reform was insufficient (given the anarchical geographical distribution and the diversity in the degree of infrastructure), the committees are looking for an overall solution to the problem.

He defined the associations movement as a revolution in the rural area. In Nicaragua today there are some 2,500 associations (which means 70,000 heads of families) on 130,000 manzanas, and while it must be admitted that in many cases these associations are informal, we must struggle to consolidate all that associative effort, because it is that base which must be strengthened.

The double economic structure (export-import) poses a problem for the cooperatives. It is necessary to have plenty of labor in the cotton, coffee and sugarcane areas. The contradiction of excessive credit, shortages of labor and small credit, and the weakening of the cooperatives, must be very well managed. The success of our agricultural cycle may reside in the proper balancing of this contradiction.

Commander Wheelock stated that if there is anyone heroic, anyone who struggled and was historically exploited, it is the farmer and semiproletarian, and his just claims to the land are well recognized. Concerning the list, to be made up by UPANIC, of certain confiscations which are to be reviewed, he promised that not a single inch of land will be returned; furthermore, he announced that a law is being studied whereby the revolution, or the peasants, could make use of any land which is not under production.

He ended his speech by suggesting the need for the revolutionary state to grow, and noted that this could be done in two ways: through increasing the foreign debt (which is going to have to be done, inevitably, but to the smallest extent possible) or through effort itself, through increased productivity. He called on the workers' sense of responsibility to increase productivity and said it was not possible to keep workers who only work 3 or 4 hours a day.

After 19 July, and as our greatest tribute to our revolution, we will begin to work under emergency conditions to solve, by every available means, the problem of productivity.

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